

The NATIONAL UNDERWRITER



Times got tough . . .

so I got tough, too

I made up my mind on one point — if I can't get a lot of things I want, the least I can do is protect what little I have.

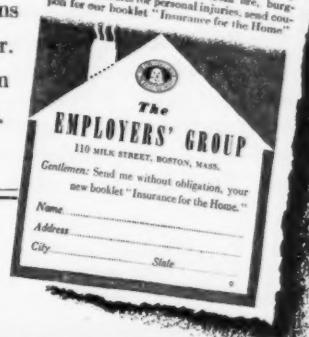
So I dug out all the insurance policies on our home and took them to an insurance agent who knew his business and asked him point blank if our home really was protected.

He made what he called an analysis — of all our property and our present insurance. And with this analysis he discovered loop-holes in our coverages that might easily cost us thousands of dollars. Finally — after explaining many important things you'd never think of — he suggested a safe, sensible, yet economical protection plan and showed me how to budget it.



*This Free Book
Will Help You*

If you want to make sure your home, your property — the things you want to keep — are safe from fire, burglary or lawsuits for personal injuries, send coupon for our booklet "Insurance for the Home."



SEND FOR THE PIONEER

New sales ideas on all types of insurance are featured each month in our interesting publication the Pioneer. Send for the current issue. It's good reading. And it's free. Address Publicity Dept.

The EMPLOYERS' GROUP 110 Milk St., Boston, Mass.

The Employers' Liability Assurance Corp., Ltd.—The Employers' Fire Insurance Co.—American Employers' Insurance Co.

THURSDAY, SEPTEMBER 15, 1938



"LIKE A BOLT FROM THE BLUE"—
Disaster plays no favorites, strikes without warning, destroys life and property. INSURANCE, sound and adequate, is the most certain safeguard against financial loss. LOYALTY GROUP agents, alert to serve, are prepared to meet their policyholders' needs against disaster's perils.

Firemen's Insurance Company of Newark, N. J.
The Girard Fire & Marine Insurance Company
National-Ben Franklin Fire Insurance Company
The Concordia Fire Insurance Co. of Milwaukee
Milwaukee Mechanics' Insurance Company
Pittsburgh Underwriters • Keystone Underwriters
The Metropolitan Casualty Insurance Co. of N.Y.
Commercial Casualty Insurance Company

Western Department
844 Rush St.
Chicago, Illinois

Canadian Dept.
461 Bay St.
Toronto, Canada

HOME OFFICE
10 PARK PLACE
NEWARK, NEW JERSEY

Southwestern Dept.
912 Commerce St.
Dallas, Texas

Pacific Department
220 Bush St.
San Francisco, Calif.

FIRE-MARINE-CASUALTY-SURETY
Loyalty Group
INSURANCE

Flash!

Our Agents have just started on one of the most thorough, yet easy to handle Inland Marine Selling Drives ever devised. Within a relatively short time they will skim the cream, and add a considerable, *permanent* volume to their incomes.

Further details will appear in a later issue, but to prospective Agents having a firm belief in Inland Marine as the big, current opportunity, we offer to show this complete campaign now. (Incidentally, all material is furnished gratis to our representatives.)

Write now!

THE AMERICAN INSURANCE GROUP NEWARK, NEW JERSEY

Fire Companies

THE AMERICAN

THE COLUMBIA FIRE

DIXIE FIRE



The IDEAL Place in Chicago for Your INSURANCE OFFICE!



More insurance dollars are brought to the Insurance Exchange than any other place. You get your share of these dollars when your office is located here.



You receive more value for your rental dollar in the Insurance Exchange than in any other building in Chicago.



A location in the Insurance Exchange saves time for you and your employees. Time means money.



Ask us to show how you can save dollars by having your office in this building.



The convenient location of the Insurance Exchange means that insurance dollars will be brought to your office.



There are dollars of satisfaction and prestige for your office when it is located in the Insurance Exchange.



IN THE CENTER OF A CITY'S BUSINESS • IN THE CENTER OF A NATION'S BUSINESS

IN Chicago the word insurance is almost synonymous with Insurance Exchange, 175 West Jackson Boulevard.

Producers as well as prospects and policyholders just assume that your office is in the Insurance Exchange.

It means many dollars to your office in a business

way to be located here in the center of the insurance business in the country's second largest city.

The management of the Insurance Exchange is qualified by experience and training to handle your insurance office problems. Our advice and experience gained through many years of satisfactory handling of insurance office space is available to you. Your inquiry will bring a prompt response.

INSURANCE EXCHANGE BUILDING

175 WEST JACKSON BOULEVARD
CHICAGO

E. W. RINDER, Manager

R. C. SWANSON, Asst. Mgr.

The NATIONAL UNDERWRITER

Forty-second Year—No. 37

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, SEPTEMBER 15, 1938

\$4.00 Per Year, 20 Cents a Copy

Pennsylvania Men's Annual Meeting Is Very Harmonious

Agents Association in Pe-
riod of "Fence Building,"
Report at Wernersville

NEW OFFICERS ELECTED

President—H. M. Albert, Strouds-
burg.

Vice-presidents—W. R. Roberts,
Bethlehem, and N. B. McCulloch, Lan-
caster.

Treasurer—C. M. Thumma, Harris-
burg.

Secretary-manager—F. D. Moses, Har-
risburg.

Directors—D. F. Ancona, Jr., Read-
ing; J. W. Barr, Oil City; S. D. Clyde,
Chester; H. P. Lichtenhauer, Pitts-
burgh; H. H. Kenney, Philadelphia;
E. Lester Mann, Scranton; H. D. Wolff,
Easton; Q. A. McBride, New Castle;
W. C. McCormick, Williamsport; P. H.
Miers, Allentown; I. D. McQuistian,
Erie; L. Val Hood, Washington; J. F.
Morgan, Lewistown; C. H. Alexander,
Pittsburgh; J. K. Payne, Philadelphia;
W. M. Reid, Pittsburgh; D. L. Ed-
wards, Wilkes Barre; J. H. Sprecher,
Lebanon; H. B. Starr, Meadville; W.
Ray Thomas, Pittsburgh.

General counsel—A. S. Arnold, Phil-
adelphia.

By ROBERT B. MITCHELL

WERNERSVILLE, PA.—Because conference committees are satisfactorily handling differences between companies and local agents, and also because of a sobering realization of the problems confronting the entire insurance business, the convention of the Pennsylvania Association of Insurance Agents this week was the most harmonious in recent years.

Chief cause of militancy among associations usually is a feeling that the companies are taking an arbitrary attitude on some point and the only hope is to sound the tocsin and rally the members to defense of their rights. The Pennsylvania association always has been right up among the leaders in crusading for a square deal, so the change in attitude is significant.

This spirit of harmony does not mean that all the company-agency issues have been ironed out. Some differences are still to be resolved. Such as the inland marine rating problem and the 10 percent rate cut on household contents. But with the reasonable attitude shown by the companies no need is seen for working up the fighting spirit of the membership.

Instead, there is a general realization that the insurance business has plenty to contend with in the present state of social and political unrest and that it will fare best with a united front. Consequently, the Pennsylvania association has been busy strengthening its fences.

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Must Watch Undermining Influences on Agencies

Vice-president Falls of the
American in Forceful Talk in
Pennsylvania

WERNERSVILLE, PA.—An established agency's value is dependent upon the general state of the insurance business; consequently any practice which is bad for the business, regardless of immediate personal gain, will undermine the worth of the agency. This was the theme of the address by L. E. Falls, vice-president American of Newark, at the convention of the Pennsylvania Association of Insurance Agents.

Tremendous power is vested by means of an agency contract, Mr. Falls declared. An agent can commit the company to almost unlimited amounts of liability by a binder and if he forgets or fails to notify the company, as his contract provides, the carrier is still bound. When he collects the premium it has been legally paid to the company, whether the agent remits it or not. Policies do not run more than five years, so the agent has a renewal value in the expirations. The ownership of these expirations is recognized by the companies. Through the medium of agents' associations, the agent acquires a tremendous power of boycott over the companies. Mr. Falls stated that he is neither resentful nor alarmed at the power of agents, but, as a friend of the agency system, he warned them that this power, if used properly, will exalt them to the heights, but, if misused, will utterly destroy them.

Assured Pays Commission

Branch offices, dealing with producers on a brokerage basis, will come, continued Mr. Falls, only if demanded by buyers of insurance in large centers. Agents must never forget that the assured pays the commission and it is very much of his business to know how much of his premium dollar goes for losses, how much for taxes, how much for home office expenses and how much for agency service. Branch offices will be forced upon the companies whenever the public is convinced that agency services are not worth the price paid.

A sure way to ruin the value of an agency, continued Mr. Falls, is to support companies and agencies which pay and demand excess commissions. No one can justify diverting more than one-third of the premium dollar for agency service. If organized agents are interested in preserving the value of their agencies, they should use their tremendous power to keep agency commissions within the real indispensable value of agency services.

Representation of Mutuals

Representation of mutuals also undermines the value of an agency. Capital stock companies have made agencies possible. These companies establish, pay for and maintain the rating machinery and have contributed the work which has led to a constant reduction of insurance costs and improved constructive services to the public. Mutuals pay nothing toward the main-

(CONTINUED ON PAGE 34)

Vincent Gallagher Is Taking Pearl Post in N. Y.

Will Assist Merritt—Assistant
Manager Krueger Takes Charge
in Chicago

Announcement is made this week that Vincent L. Gallagher, who has been western manager of Pearl ever since the department was organized in



VINCENT L. GALLAGHER

Chicago, is being transferred to the New York head office on Oct. 1. The Chicago office will be supervised by Fred G. Krueger, assistant manager, who has been with the department since it was organized.

Mr. Gallagher will assist Alfred L. Merritt, United States manager. Mr. Merritt was formerly Pacific Coast manager of Pearl and was transferred to New York as U. S. manager several months ago. He has found that the executive responsibilities are confining and he desired to have Mr. Gallagher at hand in the New York office. It is likely that Mr. Gallagher will do a good deal of traveling in the interest of the company.

Mr. Gallagher will be at home in New York as he served as secretary of America Fore at the head office, before joining Pearl as western manager. He has one important regret at leaving Chicago, that being his Tumlane sailboat, with which he has been engaging in races in Lake Michigan and which he must now dispose of.

Special Iowa Association Convention Report

A special report on the annual meeting of the Iowa Association of Insurance Agents at Sioux City is given on pages 19-21 of this issue. The meeting is reported by Levering Cartwright for The National Underwriter.

F. A. Hubbard Made President of the Hanover and Fulton

Well Known Official Re-
turns to His Old Time
Associates of Years

NEW YORK.—Fred A. Hubbard, chairman of the board of the Globe & Rutgers Fire and American Home, was elected president of the Hanover Fire and Fulton Fire by the board of directors at their meeting Wednesday afternoon of this week. Mr. Hubbard is now traveling on the Pacific Coast with President O. L. Brooks of the Globe & Rutgers Fire, introducing the new president to the fraternity in the far west. Mr. Hubbard retired from the presidency of the Globe & Rutgers Fire and American Home, becoming chairman of the board when Mr. Brooks was chosen for the place. It had been Mr. Hubbard's intention to remain with his organization until President Brooks got well established and then gradually turn his attention to other activities.

Returns to Old Associates

Mr. Hubbard returns to the organization which he served for so many years with distinction. He is a Hanover product, his heart is with it, he understands its policy, traditions and is well acquainted with the home office, department people, field men and leading agents. It was quite natural for Mr. Hubbard to be called again to the colors. He will take his new position as soon as he can be released by the Globe & Rutgers management.

The Hanover has had an unwritten law that it will not go outside of its ranks for men in the top position. The directors did not consider Mr. Hubbard as an outsider. They regard him with affection and esteem and considered him a Hanover man bred and born in the bone.

Was Vice-President at the Hanover

He was vice-president at the head office under the late President C. W. Higley, and, therefore, was in close contact with the Hanover organization in a national way. He retired from insurance to locate in Florida where he remained for some years but in the reorganization of the Globe & Rutgers Fire he was elected its president in order to revamp and reestablish that company. He did a magnificent piece of work and did it quietly. Mr. Hubbard has never been regarded as a show horse. He is resourceful, his judgments are excellent, his counsel is sound, he knows the business thoroughly and in the Globe & Rutgers rehabilitation he had an opportunity to exhibit his genius.

Before being elected vice-president of the Hanover he was assistant western manager. Mr. Higley was both president and western manager. When Mr. Hubbard went with the home office in October, 1915, Montgomery Clerk suc-
(CONTINUED ON PAGE 34)

SEC Sends First Questionnaires to Life Companies

More Details to Be Sought Later—Organization Set-up Asked

WASHINGTON, D. C.—Investigation by the Securities & Exchange Commission of the investment policies of the insurance companies and their effect upon monopolistic trends in other lines was actively launched with the mailing of the first of a series of questionnaires to some 400 legal reserve life companies.

A second and more detailed questionnaire will later be sent to the same companies. Questionnaires also are expected eventually to go to fire and casualty companies.

The questionnaire just distributed is comparatively simple and covers largely details of the organization and operation of the companies, most of which information, it was admitted by SEC officials, is readily obtainable elsewhere but was asked directly so that the companies may be put on record.

Blaisdell Explains Action

In a letter accompanying the preliminary questionnaire, six copies of which were sent to each company, Thomas C. Blaisdell, Jr., director of the commission's monopoly study, explained that the purpose of the questionnaire "is to obtain information which will enable us to interpret more intelligently the position of the companies as they operate in the industry. We recognize that much of the information is already publicly available, and that commercial reporting agencies supply additional data unofficially. We are asking for the submission of this information, however in order that we may have authoritative material available in such form as will permit its expeditious use.

"This questionnaire is preliminary to a more detailed questionnaire which will be submitted at a later date. In order to impose no unnecessary burdens, however, we have endeavored to segregate information which it will not be necessary to duplicate later."

Returns by Oct. 1

Returns to the questionnaire are to be filed with the commission not later than Oct. 1. The questionnaire asks only for information as to the organization of the companies, the states in which they are authorized to do business, details of the charter, a copy of by-laws, the plan of business, the present types of business engaged in, the history and development of the business, whether it has been rehabilitated or in receivership, and information as to annual and special meetings and the various reports issued by the companies. Details of investment policies are to be explored in the more comprehensive questionnaire which is to be distributed later.

Boyce Minnesota Speaker

ST. PAUL—John K. Boyce, Amarillo, Tex., member of the executive committee of the National Association of Insurance Agents, will speak at the luncheon following the annual meeting of the Minnesota Association of Insurance Agents Sept. 27. It is hoped to make this luncheon one of the interesting events in connection with the annual meeting of the National Association of Insurance Agents that week.

Registrations for the national meeting are coming in steadily and the total already has passed that of previous national gatherings so far in advance of the meeting.

Confer on Convention



John P. McGee, left, head of the St. Paul Insurance Exchange, conferred with President C. F. Liscomb of the National Association of Insurance Agents who went to St. Paul to talk with the committee on arrangements for the big convention to be held in that city the week of Sept. 26. The convention is being held in the Minnesota capital city in honor of Mr. Liscomb.

THE WEEK IN INSURANCE

Fred A. Hubbard, chairman of the board of the Globe & Rutgers Fire, has been elected president of the Hanover Fire and Fulton. **Page 3**

Pennsylvania Association of Insurance Agents holds its annual meeting at Wernersville. **Page 3**

Vincent L. Gallagher, western manager of Pearl Assurance, is being transferred to the New York head office and Assistant Manager Fred G. Krueger will be in charge at Chicago. **Page 3**

Vice-president **L. E. Falls** of the American of Newark speaks before Pennsylvania local agents on the value of an established agency. **Page 3**

Profit system in private business surveyed by congressional committee formed by Senator Vandenberg, New Deal opponent, questionnaire sent to insurance companies. **Page 5**

Securities and Exchange Commission sends out first questionnaire in monopoly investigation. **Page 4**

Joseph A. Kelsey of New York City, United States manager of the Tokio, president of the Standard Fire of New York and Standard Surety & Casualty, is dead. **Page 8**

New York Insurance department makes a statement as to convention examinations of New York companies now in progress. **Page 4**

J. D. Smart is elected president of New Hampshire Fire, succeeding F. W. Sargeant who becomes chairman. **Page 8**

E. G. Pieper, former president of the Rhode Island, is dead. **Page 11**

The executive committee of the **South-eastern Underwriters Association** will hold a meeting in New York City this week. **Page 6**

Business Development Office announces **detailed program manual**. **Page 6**

Cecil Bon elected president of **Wyoming agents** at annual meeting. **Page 6**

Insurance Director E. L. McManus of the American Hotel Association tells members the **value of appraisals**. **Page 12**

Annual meeting of Iowa Association of Insurance Agents is held in Sioux City, B. C. Hopkins being elected president. **Page 19**

President **Vincent Cullen** of National Surety **assails tariff-shielded business men who patronize Lloyds**. **Page 23**

Executives working on New York standard **automobile liability and property damage policy**. **Page 25**

Superintendent **Pink** of New York recommends to insurance code revision committee an **extension of group accident and health coverage**. **Page 24**

Kenneth Beagle has been appointed director of education and E. L. Yordan publications editor of the **National Conservation Bureau** of the Association of Casualty & Surety Executives. **Page 24**

Plans are completed for the **big casualty convention** at White Sulphur Springs next week. **Page 24**

Annual meeting of the **International Claim Association** was held this week at White Sulphur Springs. **Page 25**

Considerable speculation arises as to the outcome of Chairman E. J. Schodfeld's visit to Chicago under the auspices of the **Acquisition Cost Conference**. **Page 26**

Massachusetts Bonding holds its 30th anniversary celebration. **Page 23**

Some of the personalities surrounding President **T. J. Falvey** of the **Massachusetts Bonding**. **Page 23**

Valuable use and occupancy talk is given by **C. H. Smith**, western manager Hartford, at the annual meeting of Iowa Association of Insurance Agents. **Page 35**

Program for the annual meeting of the **Vermont Association of Insurance Agents** is announced. **Page 40**

Program is announced for the annual meeting of the **Montana Association of Insurance Agents** at Anaconda. **Page 38**

Pink Sets Forth New York Policy in Examinations

Will Use Convention Plan So Far as Other States are Concerned

NEW YORK—Examiners of 10 other states were participating in the examinations of six New York State insurance companies on Sept. 1 in a continuation of the program of Superintendent Pink to cooperate with the National Association of Insurance Commissioners in its plan of convention examinations of companies doing business in three or more states.

These are regularly scheduled examinations of the New York companies and while the examiners of the other states are participating fully in the work they do not sign the official New York report as the New York law permits only New York civil service examiners to do that. The outside examiners do, however, sign the reports which are submitted to other states.

Companies Being Examined

Companies being examined in cooperation with other states and the states represented in these examinations under the zone plan of the National Association of Insurance Commissioners are: Glens Falls and Commerce with one West Virginia examiner representing Zone 2. Glens Falls Indemnity with one Louisiana examiner participating on behalf of Zone 3.

New York Life with one examiner from each of the following states representing the zones indicated: Maryland, Zone 2; Missouri, Zone 3; Iowa, Zone 4; Oklahoma, Zone 5; Idaho, Zone 6.

Alabama is representing Zone 3 and Minnesota is representing Zone 4 in an examination of the Guardian Life now in progress. Pennsylvania is representing Zone 2 on the examination of the Security Mutual Life.

Other Companies Being Examined

A number of other New York companies are now undergoing their regular statutory examinations but the work either was started before Superintendent Pink agreed to try out the zone plan of examining companies on a limited scale, or the companies were considered too small to justify calling in any outside examiners. It is understood that two or three of the larger fire companies are due for examination in December and that participation will be invited in these. Examiners of most of the states collect daily fees and sustenance charges totaling about \$35 and Superintendent Pink contends this is an unwarranted expense on the small companies.

While Superintendent Pink desires to cooperate as fully as possible with the other states in the matter of examinations he has always held that the number of examiners invited should depend upon the size and spread of the business of the company and should not be arbitrarily fixed by a rule which imposes hardship upon the smaller companies.

New York Civil Service Rule

New York is one of the comparatively few states having civil service examiners and the superintendent is compelled by law to examine the companies through employees of his department. While it is his contention that the law broadly interpreted does not prohibit outside participation, the main work must be done by the civil service employees of New York.

Since the matter has been acute in

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Advertising Men in Annual Muster on Cape Cod Shore

Arthur A. Fisk of the Prudential Presides Over the Conference

NEW OFFICERS ELECTED

President—Ray C. Dreher, Boston and Old Colony.

Vice-president—David C. Gibson, Maryland Casualty.

Secretary-Treasurer—Robert E. Brown, Jr., Aetna Casualty & Surety.

Executive Committee—New Members:

Arthur A. Fisk, Prudential, and

E. M. Hunt, Mutual Life of New York;

holdover—W. Leslie Lewis, Agricultural;

C. J. Fitzpatrick, United States Fidelity & Guaranty, and Harold E.

Taylor, American.

By RALPH E. RICHMAN

OSTERVILLE, MASS.—The Insurance Advertising Conference held its annual meeting this week at the Oyster Harbors Club here on Cape Cod. About 75 were in attendance. After the business sessions Tuesday many visited the paper mills of the S. D. Warren Paper Company in Maine.

What kind of printed matter induces people to buy and keep paying insurance premiums? What kind will cause them to buy of a particular agent or company? How are agents to be sold on the use of printed salesmanship? These and the technical details of producing printed advertising were the subjects of discussion.

Insurance Advertising Increases

President Arthur A. Fisk, Prudential advertising manager, in his address opening the general sessions, noted that insurance company advertising has been increasing in both national and insurance trade publications. He said at least one company doing an effective job at national advertising would reap greater returns if it supplemented that advertising more fully with space in the insurance journals educating agents on the purpose and scope of its effort.

At the group meetings Monday D. C.

(CONTINUED ON LAST PAGE)

Advertising Conference Men Give Suggestions

A. A. Fisk of the Prudential, president of the Insurance Advertising Conference, in his annual report at its convention at Osterville, Mass., this week said truth in advertising is accepted as a fundamental today and in no place more so than in the insurance business. It is a safe statement, he said, to make that no insurance advertisement can be challenged as to its truthfulness and accuracy and this is a great source of satisfaction to insurance men. A sympathetic public understanding of the business, he finds, has been developed both in the field and home office in all parts of the country.

Public Confidence in Insurance

With half of the population insured, public confidence in insurance is so well established that it is doubtful if policyholders will permit anyone to do direct harm to the insurance business. The public, he said, learns how it can protect itself through insurance. The agents complete the arrangement and the companies assume the risk. Several companies, he said, have undertaken new types of advertising this year, particularly the Mutual Life of New York and the New York Life. Moving pictures are still being successfully used by some companies. A beautiful color insurance advertising is appearing in some of the insurance papers. The New York world's fair, he said, will see insurance well represented. There have been many unusual forms of direct mail solicitation developed this year, said President Fisk. Canadian life companies are entering their 19th successful year of cooperative newspaper advertising. In one state insurance advertising was used in a primary election. High pressure salesmanship, President Fisk said, is being gradually reduced by insurance surveys and insurance programming. Insurance advertising, he said, has shown an increase in the national magazines and insurance papers this year and a constant increase during the last five years.

Public Relations Work

S. G. Wingfield as public relations counsel said that some people have the idea that it is easy to get free publicity. "We never get something for nothing," Mr. Wingfield said. There are a great many people, he said, who have great difficulty differentiating between publicity and notoriety. To them anything that gets in the newspapers is publicity. The newspapers are dependent on news.

"There is not a newspaper in the country that would not thank you," said Mr. Wingfield, "if one picked up a phone, sent a letter or telegram giving a good story that it did not have and would not have gotten otherwise. That is all the public relations counsel can do in this direction." The attitude of the press is this, he stated: "If it's news, we're glad to get it; if not, to hell with it." In the hands of an inexperienced person, publicity, he said, is just as harmless as a ton of TNT because in this work ability is essential but the most important of all, he declared is experience. As he put it, "A public relations counsel is constantly experimenting with the dynamite of human emotions."

Timing Is All Important

Mr. Wingfield said that one of the all-important factors in publicity is timing. Continuing, he said, "We hear a lot nowadays about business being misunderstood, misjudged and mistrusted. Yet business has, right at its elbow, all the machinery necessary to remedy this condition because every business problem is primarily a human one for it begins and it ends with a group of human beings who are its employees, its stockholders, its dealers, its bankers and its customers." Public relations, he said, can never take the place of advertising because advertising is primarily a sales force. Public relations, he continued, makes no pretense at selling goods but it is teamed up with advertising to do a tremendous job of making and building friends for a business.

Chances for Economy

Thatcher Nelson, service manager and art director of Oxford-Print at Boston, revealed unsuspected chances to save money by such means as proofreading and counting copy before setting, by clever duplication of art work and grouping of plates and by use of pasteup before makeup to reduce corrections cost. He said that many advertising managers are permitting costs to pile up in a direction where it is easy to save money.

B. R. Canfield, director of sales and advertising of Babson Institute, said that advertising can seldom do the entire job alone. The agent should understand the use of insurance advertising in his work. His curiosity as to the use of advertising by salesmen has led him to make extensive investigations with the cooperation of buyers in a wide variety of lines.

(CONTINUED ON PAGE 14)

Profit System in Private Business Being Surveyed

Special Congressional Committee Sends Questionnaire to Companies

All types of insurance companies are receiving from a special congressional committee a questionnaire, the basic purpose of which is to develop data proving that the profit motive in American business has been greatly beneficial and should be continued. The committee, a subcommittee of the Senate finance committee, was authorized under a resolution filed by Senator Arthur Vandenberg, New Deal opponent. The significance of the resolution was not at first seen but it is definitely non-New Deal and is expected to develop a report which will stress a generally high type of American business stewardship and the need for governmental non-interference with private business in the light of its worthwhile public achievements of the past.

Hearings to Start Nov. 15

Nominally this is a profit sharing inquiry designed to secure specific data on the manner in which American business has shared its profits with its employees. The final report, which will be rendered at hearings in Washington to start Nov. 15 without doubt will include mention of group life, annuity, disability and pension plans among employees of many insurance companies, bonus plans and the number of insurance company plans under which employees and agents share to some extent in the profits under special arrangements.

The committee is operating from Chicago, having office in room 777 old Federal building. Senator Vandenberg is a member. The other members are Herring, Iowa, chairman, and Johnson, Colorado. Donald Despain is director of the survey. Mr. Despain has been in public relations work for 25 years, for much of the time in study of the employer-employee relationship. He was industrial commissioner of Nebraska, his home state, for four years and since has been engaged as a private consultant to industry in Chicago.

SPEAKERS AT NEW JERSEY AGENTS CONVENTION



CHARLES E. MEEK, JR., Paterson State President



C. STANLEY STULTS, Hightstown, N. J. National Executive Committeeman



LEON A. WATSON, Newark Schedule Rating Expert



F. S. DAUWALTER, New York City Director Business Development Office

Insurance Coercion Is Condemned by Wyoming Agents

Cecil Bon Named President at Annual Meeting in Casper

NEW OFFICERS

President—Cecil Bon, Casper.
Vice-president—Lew B. Potter, Douglas.
Chairman Executive Committee—H. B. Richardson, Lovell.
Secretary-treasurer—Harry F. Farnsworth, Riverton (reelected).
1939 Convention City—Rock Springs.

CASPER, WYO.—The reputed practice of certain lending institutions in "compelling and coercing the borrower to purchase his fire insurance through their offices, thus depriving the local agent of business and of clients rightfully his . . ." was condemned at the annual convention of the Wyoming Association of Insurance Agents here.

The agents took the position that companies authorized to operate in Wyoming "have a right to a just distribution of this business."

Copies of the resolution are being sent to Wyoming's congressional delegation, to the state insurance commissioner, the state FHA director and to Governor Miller.

Annual Banquet

A highlight of the convention was the annual banquet with approximately 150 in attendance. Thomas C. Spears, president Casper Fire Insurance Agents Association, was toastmaster. William Quaid, vice-president of the Home, was the principal speaker.

The convention's final session was open to the public. A large gathering heard a forceful talk by the outgoing president, Lew B. Potter, on how the organization can increase its strength and better serve the profession. J. C. Burt, chairman of the agents' advisory committee of the Mountain Field Club, also spoke. New officers were introduced.

Quaid Gives Talk

Mr. Quaid in his talk "The Cross Roads," viewed insurance as a commodity. Much of the public's misunderstanding of insurance is the failure to realize that premiums purchase an actual commodity, he said.

Even if the immediate benefits do not make themselves apparent, year after year the premium investment is not wasted. He compared insurance to the bumper on an automobile or to the sprinkler system in a warehouse. The very fact his sprinkler system is not called upon to function is scarcely considered in the light of a foolish investment, and the same attitude should prevail toward insurance, Mr. Quaid declared.

President Potter Reports

In his presidential talk, L. B. Potter, Douglas, said that after 18 years of experience in business he is convinced now more than ever before that selling insurance is a highly specialized business calling for intensive study and closer application. In meeting competition the application of the information as disseminated by the Business Development Office, state associations and other fact finding bodies rests solely on the shoulders of the local agent, he said. Each case where the individual local agent is threatened with loss of business requires individual treatment on his part in providing information to the

(CONTINUED ON PAGE 41)

New President



FRED A. HUBBARD

Fred A. Hubbard, chairman of the board of the Globe & Rutgers Fire and American Home, who becomes president of the Hanover Fire and Fulton, returns to his old stamping ground where he received his early insurance education and where he won his spurs. He is a man of sound convictions, splendid insurance training and his personality is most amiable.

Director of Fire Companies

Leighton McCarthy, chairman of the board of the Canada Life and former president, has been elected a director of the Western and British America of Toronto.

FIRE COMPANY STATEMENTS

(Report as of June 30, to Georgia insurance department)

	Capital or Deposit	Assets	Surplus	Income	Disbursements	Six Months
American Union	\$ 1,000,000	\$ 3,317,994	\$ 1,813,131	\$ 226,735	\$ 133,768	
Anchor	1,000,000	2,535,240	850,579	349,535	389,435	
Automobile, Conn.	5,000,000	25,021,077	7,824,736	6,771,392	6,389,952	
Agricultural	3,000,000	13,985,332	4,477,337	3,184,178	3,132,069	
Aetna Fire	7,500,000	50,570,818	16,667,878	12,210,928	11,820,843	
Birmingham Fire	500,000	1,342,826	645,454	126,837	96,207	
Boston	3,000,000	23,670,938	13,669,822	3,016,350	2,878,890	
Camden Fire	2,000,000	11,822,781	3,460,399	3,061,168	3,091,280	
Commercial Union, N. Y.	1,000,000	2,965,656	747,306	505,503	535,610	
Central, Md.	1,000,000	3,992,521	1,691,101	592,635	562,004	
Century	400,000	3,516,542	1,090,055	967,915	1,219,292	
Citizens, N. J.	1,000,000	3,151,268	1,700,902	232,003	173,205	
California	1,000,000	5,365,363	2,593,985	834,318	861,073	
Commonwealth	1,000,000	7,305,448	3,951,865	1,251,385	1,246,359	
East & West	1,000,000	3,204,218	1,389,375	395,426	302,543	
Eagle-Star	400,000	5,996,470	2,813,089	1,264,956	1,393,454	
Federal Union	1,000,000	2,691,740	933,922	378,271	356,709	
Georgia Home	500,000	2,505,063	836,104	584,864	646,597	
Great American	8,150,000	46,081,985	21,712,623	7,871,546	8,691,843	
Houston Fire & Cas.	250,000	689,537	239,104	102,624	55,044	
Hartford Fire	12,000,000	102,151,165	48,502,557	20,017,998	18,486,120	
Home Fire & Marine	1,000,000	6,652,664	2,856,877	1,321,919	1,237,708	
Hanover	4,000,000	15,557,755	5,178,822	3,087,947	3,231,674	
London Assurance	400,000	7,424,803	2,939,440	2,116,176	2,549,321	
Liverpool & Lon. & Gl.	400,000	18,347,738	7,191,943	4,755,912	4,851,069	
Mercantile	1,000,000	7,121,929	3,682,068	421,239	1,254,924	
Manhattan Fire & Mar.	1,000,000	3,125,978	1,234,325	454,657	428,791	
North River	2,000,000	21,978,459	12,876,964	3,305,325	3,299,308	
National Union	1,100,000	15,041,649	4,450,494	3,794,218	4,086,095	
National Fire	5,000,000	48,118,898	20,443,057	8,185,036	8,238,687	
Northwestern National	2,000,000	14,589,544	5,312,696	2,413,671	2,356,398	
Newark Fire	2,000,000	9,598,044	3,915,017	1,723,418	1,797,725	
Norwich Union Fire	400,000	5,756,907	1,849,902	1,502,990	1,538,258	
No. British & Merc.	400,000	15,479,177	6,941,763	3,628,123	3,782,473	
North River	2,000,000	21,978,459	12,876,964	3,305,325	3,299,308	
Northern Assurance	4,000,000	7,665,354	2,487,251	2,187,845	2,441,778	
National Liberty	4,000,000	19,101,639	7,217,975	3,408,169	4,019,823	
Old Colony	1,000,000	9,768,970	6,616,746	1,068,446	938,075	
Pennsylvania Fire	1,000,000	15,220,453	8,026,293	2,616,116	2,849,446	
Phoenix Assurance	400,000	7,236,189	2,974,807	1,722,942	1,899,104	
Providence-Washington	3,000,000	14,387,982	5,626,479	3,115,522	3,397,677	
Phoenix, Conn.	6,000,000	58,424,896	39,878,161	5,263,495	5,206,654	
Philadelphia National	1,000,000	2,730,618	1,072,930	322,501	351,990	
Palatine	1,000,000	3,221,075	1,655,478	554,473	574,004	
Queen	5,000,000	21,303,937	7,544,169	3,923,342	4,601,720	
Rochester-American	1,000,000	3,727,586	1,719,508	535,817	501,749	
Reliance	1,000,000	3,825,587	1,699,665	495,544	679,708	
Royal	400,000	21,587,088	10,060,262	5,208,645	5,131,569	
Security, Conn.	2,000,000	10,526,759	2,953,262	2,499,170	2,771,670	
Seaboard, Md.	600,000	1,177,973	576,196	60,019	23,792	
Southern Fire, N. C.	200,000	1,604,614	880,888	284,644	231,906	
Scottish Union & Nat.	1,500,000	8,184,001	4,234,096	1,547,527	1,534,145	
Sun Underwriters	600,000	1,612,824	492,551	268,199	260,074	
Star	1,000,000	4,928,389	1,828,812	987,915	1,060,812	
Standard, N. Y.	1,500,000	6,293,728	3,001,112	933,198	927,490	
Sun	500,000	6,837,603	2,829,420	1,850,706	1,860,396	
St. Paul Fire & Mar.	4,000,000	40,014,067	23,375,435	6,922,353	6,743,072	
Tokio Fire & Mar.	400,000	11,811,051	8,647,186	2,316,158	3,797,273	
United States Fire	2,000,000	31,447,333	17,672,936	5,426,040	5,229,960	
Union Fire, Fr.	400,000	1,550,670	692,279	250,926	253,994	
World Fire & Marine	1,000,000	6,081,531	3,598,126	1,079,862	710,030	

Cotton Coverage Rules Up for S. E. U. A. Meeting

Executive Committee Will Hold a Conference in New York City This Week

NEW YORK.—Instead of meeting in Atlanta as is customary the executive committee of the Southeastern Underwriters Association will hold its September gathering in the rooms of the Insurance Executives Association here Friday. Several members are planning to leave shortly thereafter for Richmond, to attend the gathering of the governing committee of the Virginia Association in that city on the 19th.

While subjects scheduled for review at the executive committee meeting have not been made public, the understanding is considerable attention will be devoted to rules on cotton coverage, no little dissatisfaction existing over the recent adoption of a mandatory endorsement to be attached to all policies for which insured warehouse receipts have been issued.

A. L. Kirkpatrick to Speak

A. L. Kirkpatrick, insurance editor of the "Chicago Journal of Commerce" will be the speaker at the first fall meeting of the Chicago Association of Fire Inspectors to be held at DeMet's in the Board of Trade Grill, Sept. 22.

Clifford H. Purdy, branch manager Fire Companies Adjustment Bureau at Harlingen, Tex., was elected Grand Cheminot of the Grand Voiture of Texas Forty and Eight at the state convention of the American Legion in Austin.

B. D. O. Announces Detailed Manual for Its Programs

A. R. Menard, Addressing Pennsylvania Agents, Describes New Aid

WERNERSVILLE, PA.—Business Development workers will shortly have the benefit of a new and detailed suggested program of activities, A. R. Menard, assistant director Business Development Office, announced in his talk at the convention of the Pennsylvania Association of Insurance Agents. Copies will be mailed next week. The old program was in somewhat skeletonized form, leaving the details to be worked out by the local organizations, on the theory that they knew best what sort of activities was most needed in their localities. However, there have been demands for a fully worked out program of suggestions which could be used right out of the book. The new booklet is the answer.

The new outline even contains copies of speeches which local leaders can make. Such literal use of the material, however, is not intended, the aim being that the speakers should absorb the information from the addresses and put the thoughts across in their own words. Contains Six-Point Program

The new activities program consists of a six-point program for state organizations, Mr. Menard said. There is a field club program, and another for local boards. Then there is an outline for zone or district meetings where it is desired to cover territory within a radius of 50 or 60 miles. For small towns where there is no local board and which are not conveniently located for regional or zone gatherings, there is a program of round table discussions.

For cities and towns where the local board wants to make an organized campaign for business for stock carriers there is a program of town solicitation worked out in detail. The final heading covers study classes in local boards and field clubs.

Urge "Account Selling"

Mr. Menard also talked on the B. D. O. recently published booklet, "Complete Policyholder Protection." He emphasized the responsibility of the agent to his clients and recommended use of the booklet as a means of diagnosing and prescribing for every possible need that a client might have. He said that while the meeting of nonstock competition has been the first problem of the B. D. O., it is not the sole long range aim. This aim, he said, is anything to do with the development of business.

Mr. Menard urged "account selling" as contrasted with selling individual lines of insurance. He emphasized the advisability of going after a man's business on the basis of servicing it as an account, since otherwise there is a danger of leaving important gaps in the insured's protection.

Gableman With Brown Office

SAN FRANCISCO.—H. G. Gableman, formerly with Seeley & Co., is named special agent in East Bay territory for Edward Brown & Sons coincident with the opening of the agency's recently complete building at Oakland.

N. B. Peake, WINONA, MINN., local agent here, has sold his business to B. J. Hoepner, secretary-elect of the newly formed Insureds Association of Winona. Mr. Peake will reside in Birmingham, Ala.

Palmer Issues Ultimatum on Auto Finance Line

Effect Reform by Jan. 1 or Face Illinois Commission Legislation, He Warns

An ultimatum to clean up the automobile finance situation by Jan. 1 or face legislative action was delivered to representatives of conference and non-conference automobile companies by Insurance Director Palmer of Illinois, at a meeting in Chicago Wednesday. This followed a searching inquiry into practices in this field launched by Mr. Palmer last spring.

At the suggestion of those present, Mr. Palmer agreed to appoint a committee representing both bureau and unaffiliated companies to work with the department. He stated that the matter should be settled within 60 days, but set Jan. 1 as the absolute deadline. Failing in this, he warned the companies that he would ask the legislature for regulatory power over commissions.

Specific Reforms Demanded

The practices which Mr. Palmer desires put into effect are: adoption of a standard master policy, seeing that the purchaser of a finance automobile gets a copy of the certificate, showing of rates and premiums in both policies and certificates, all conditions of insurance to be shown on the purchaser's certificate. Rates and premiums must be quoted to the purchaser, separate from financing and other charges. In the event of termination of insurance, the company must have some evidence, such as a signed receipt, that the assured has actually received the return premium. Limitation clauses such as three-fourths value-and deductible theft must be eliminated.

Commissions on finance business should not exceed agency commissions on other automobile business, declared Mr. Palmer, and preferably not more than 25 percent. He also stated that he will exert every effort to prevent licensing of finance companies and their employees as agents or brokers.

Has National Importance

Since Mr. Palmer is vice-chairman of the committee of the National Association of Insurance Commissioners, on this subject, the action of the Illinois department is being followed carefully in all states as a possible precedent. The company men present were unanimous in their belief that Mr. Palmer had taken the proper course in seeking to effect his program with the cooperation of the companies, which cooperation was pledged on all sides.

The average commission on finance business was revealed by his recent questionnaire as 41 percent, Mr. Palmer stated, and the average loss ratio is 55 percent.

California Agents' Program Rounding Into Shape

Among the speakers on the program at the annual convention of the California Association of Insurance Agents in Fresno, Oct. 24-26, will be T. A. Fleming, supervisor conservation department, National Board, and F. S. Dauwalter, director Business Development Office, Frank Colridge, executive secretary, announced.

W. P. Welsh, Pasadena, also will speak on the subject "Loss of Use and Consequential Losses." The theme of

the program will be "Insurance—The Backstop of Credit." H. W. Barnhart of the Buckman-Mitchell agency, Visalia, will speak on automobile insurance and inland marine coverages. Both speakers have been prominent in the association for a number of years, Mr. Welsh being president in 1935-1936.

F. W. Rounsefell Dies

Francis W. Rounsefell, 70, pioneer insurance man of western Canada, died at a hospital in Vancouver, B. C., following an extended illness. In 1888, he entered the insurance business in Van-

couver. He has been managing director of Ceperley, Rounsefell & Co.

Excellent New Book Is Just Off the Press

THE NATIONAL UNDERWRITER is selling the new book, "Principles of the New York Standard Fire Insurance Policy," by Attorney A. J. Goldin of the Philadelphia bar. The publishers are the "Insurance Publishers" of Philadelphia. It sells for \$3. This is the newest work on the New York standard policy and

tells in plain language what it does and does not cover, according to reported decisions. There is an exhaustive line by line analysis. Every statement in this treatise is supported by a court decision. The author is an insurance attorney, a lecturer on insurance subjects and is well known. Counsel A. E. Benson of the Fire Association, after reading this book, said, "It is by far the most compact and yet lucid treatment of the subject that I have seen." The book includes forms, table of cases and a full index for ready reference that makes it very useful.

Says BIG R.SALES (BIGGER SALES)

Here are excerpts from PRACTICAL PROSPECTING, Millers National's copyrighted agents sales plan:

"To produce a reasonable amount of new business we must be constantly cultivating a considerable number of prospects. Our plan therefore is based upon a fact that has been known since our ancestors swapped stone hatchets for bear meat, namely, that names are the key to sales.

"Names meaning individuals who live and breathe, and who need and buy insurance, like Bill Jones down the street, Jim Smith next door, and the Donaldsons in the big house on the corner. Bill might be an official in the local gas company, Jim a practicing attorney, and the Donaldsons the owners of a large department store downtown. Around people like these—names if you please—successful agencies are built.

"The first step in a good sales plan is to build a good, permanent prospect record file. We cannot possibly remember all the useful information we should have for intelligent solicitation. A card file is the solution—a file into which we can feed information which will be at our finger tips when we want it—a file that is not too difficult to maintain—and a file that is above all . . . workable.

"Building this file, and putting it into workable shape, is the first consideration in our plan. It's step No. 1. It forms the very foundation upon which other phases of our plan rest."

As the plan unfolds it reveals a method of determining who are the best prospects for your agency and the sources to find them—how to make your prospect file workable—how to organize your campaigns—and how to be your own sales manager.

It's good stuff! If you haven't already investigated, it will pay you to do it.



WHO ARE THE BEST PROSPECTS FOR YOUR INSURANCE AGENCY?

Who are your best prospects? You will find this question fully covered in PRACTICAL PROSPECTING, a time-saving, money-making plan of action, prepared and copyrighted by the Millers National Insurance Company.

Sales efficiency methods of hundreds of successful agents throughout the country have been analysed and molded into this complete agents sales plan. No theory—just sound selling practice that has been tried and proven.

The plan is being adopted by an increasing number of the most progressive agents in the country—agents alert to company services which they can convert into dollars for themselves.

Around agents of this type Millers National's complete services are built. Along with these agents the Company thinks in terms of producing new business, servicing

and holding business on the books. To these agents the various departments of the Company are real service headquarters.

It is upon such ground that Millers National lays its claim to be a good agency company—a claim seldom mentioned in empty words but well demonstrated by performance.

FOR YOUR INFORMATION

The complete PRACTICAL PROSPECTING plan, with any information you desire on the Company and its services, will be presented to you without incurring any obligation whatever on your part. Simply address the Company on your own business letterhead—Insurance Exchange Building, Chicago.

Established 1865
MILLERS NATIONAL
 Insurance Company • CHICAGO
 Service Headquarters for Alert Agents

Joseph A. Kelsey, Veteran Fire Underwriter, Dead

Was Head of Tokio, Standard of New York and Standard Surety & Casualty

NEW YORK.—Joseph A. Kelsey, United States manager of the Tokio, president of the Standard Fire of New York and Standard Surety & Casualty, died from a heart attack Tuesday at his home at Montclair, N. J. He was one of the oldest executives in the country. He sprang from a notable insurance family, his father, the late Benjamin Kelsey being state agent of the Hartford Fire in Indiana for many years. Aside from Joseph A., two other brothers became prominent in the business. Preston T., who traveled in Indiana for the Liverpool & London & Globe becoming assistant western manager of the Sun and later manager and then United States manager. Another brother, Horatio N., a former Norwich Union field man in the central west, traveling in Illinois and Indiana, became United States manager of the Hamburg-Bremen after being assistant western manager and then western manager of the Sun. Following the war when the Hamburg-Bremen was compelled to quit business in this country he was made United States manager of the London & Scottish.

Joseph A. Kelsey's Career

Joseph A. Kelsey was born in St. Mary's, O., in 1858, and started his insurance career in 1880 in Denver in the local and general agency of Cobb, McMann & Co. In 1881 he was appointed special agent of the New York Underwriters with headquarters in St. Louis and a year later became associated with the general agency of Martin Collins

in that city. On Feb. 1, 1884, Mr. Kelsey was made special agent for the North America and Pennsylvania Fire in Iowa. Then he was transferred to Indiana as state agent remaining there until 1890.

He became assistant manager of the northwestern department of the Royal at Chicago under Manager E. L. Allen. With the consolidation of the central and northwestern departments Aug. 1, 1895, Mr. Kelsey was made assistant manager by Law Brothers. In connection with the North America, Mr. Kelsey traveled in the field for the Pennsylvania Fire as both companies were then under the jurisdiction of General Agent J. F. Downing of Erie.

On Jan. 1, 1897, Mr. Kelsey became manager of the western department of the Aachen & Munich. In 1902 the western and eastern departments were consolidated and Mr. Kelsey was made United States manager. In May, 1918, the business of the Aachen & Munich was taken over by the Tokio inasmuch as the German company was forced to quit business in the United States on account of the war.

Recently Mr. Kelsey was made the chief executive officer of the Standard Surety & Casualty owned by the same interests as the Standard Fire. He had always been regarded as a forthright, intelligent, conservative underwriter with a high sense of business sagacity.

Had Returned from Savanna

Mr. Kelsey, 80 years of age, was the oldest active official in the business. Preston Kelsey left Montclair Monday to go to Chicago to visit his daughter and was notified of his brother's death, he returning to Montclair Wednesday. J. A. Kelsey was at his office last Friday, following his return from several weeks at Saranac Inn, Saranac Lake, N. Y., where he has been accustomed to spend his vacations for years, and complained of his heart action. The following day he underwent examination by

(CONTINUED ON PAGE 34)

Florida Leader Is Being Mentioned for Chairmanship



PAYNE H. MIDYETTE, Tallahassee, Fla.

The south, replete with organization leaders, is putting forth its claims for chairmanship of the executive committee of the National Association of Insurance Agents at the forthcoming election at the St. Paul meeting. Sidney O. Smith of Gainesville, Ga., is being urged for the place. Voices not only from the south but elsewhere are being raised for Payne H. Midyette of Tallahassee, Fla., who has served for two years with distinction on the executive committee, is chairman of the national legislative committee and as Florida president gave the state a constructive administration. With its potent insurance school, which gives a week of intensive

Smart Is Elected President of New Hampshire Fire

F. W. Sargeant Becomes Chairman of Board and Chairman of Finance Committee

J. D. Smart, formerly vice-president of New Hampshire Fire, was elected president Tuesday, succeeding Frank W. Sargeant, who was elevated to the specially created post of board chairman and also chairman of the finance committee. The company's managerial policy will continue along the same lines it has successfully pursued hitherto. Mr. Smart has been associated with the New Hampshire for 37 years and has been vice-president since 1933. Mr. Sargeant is one of the best known and most highly esteemed figures in fire underwriting circles. His association with the New Hampshire began in 1877 and he had been its president since 1905.

Mr. Smart is a native of Manchester, N. H., and has been connected with New Hampshire Fire throughout his business career, going with the company as a young man in the office. He served in the Massachusetts field and then as home office special agent. He later was elected secretary and then vice-president.

training every year, Florida has leaped forward in a conspicuous manner. Mr. Midyette shies away from any suggestion that he enter the chairmanship lists but the pressure increases. So far as personal pulchritude is concerned he would take first prize as a member of the National Association cabinet. In Florida, he would find a real rival in Clifford A. Payne of Jacksonville, whose good looks put him in the highest bracket.

PHILADELPHIA FIRE AND MARINE INSURANCE COMPANY

PHILADELPHIA, PENNA.

Financial Statement at Close of Business, June 30, 1938

ASSETS	LIABILITIES
Bonds and Stocks.....\$4,657,335.13 (Valued as required by National Convention of Insurance Commissioners)	Reserve for Unpaid Losses.....\$ 310,810.00
Accrued Interest on above Bonds. 12,367.18	Unearned Premium Reserve.... 1,289,534.00
Cash in Banks and Office..... 834,423.76	Deposits Reclaimable on Perpetual Policies 36,432.13
Premiums in Course of Transmission 354,417.51	Reserve for Taxes and Other Expenses 93,000.00
Notes Receivable for Premiums.. 589.87	Reinsurance Non-admitted Companies 14,667.07
 	Cash Capital 1,000,000.00
Total Admitted Assets.....\$5,859,133.45	Surplus 3,114,690.25
 	Total Liabilities .....\$5,859,133.45

If actual market values as of June 30, 1938, were used in valuing all stocks and bonds held by the Company at that date, the total value thereof would be \$4,711,088.12. In such case the total admitted assets would show as \$5,912,886.44 and the surplus as \$3,168,443.24.

NEWS OF FIELD MEN

American Appointments Made

Promotions in Minnesota and Indiana Following the Death of State Agent Karl Theimer in Former State

Kenneth L. Hingst has been appointed state agent of the American of Newark group for Minnesota to succeed the late K. P. Theimer. Mr. Hingst, whose headquarters will be 310 Foshay tower, Minneapolis, received his training in the Rockford western office, where his ability and energy earned for him an appointment as special agent for Missouri. After serving in that field for two years, he was transferred late in 1937 to Minnesota, as special agent assisting Mr. Theimer.

H. E. Doering of New Ulm, who has served as special agent in Minnesota for many years, will continue in the territory where he is so well known. The Minnesota field force will be further strengthened by the addition of Harold E. Hausmann special agent, who is being transferred from the Indiana field where he has served for the past three years, following his training in the western office.

Martin E. Myers also has been appointed special agent to assist State Agent G. R. Pritchett in Indiana. Mr. Myers, who will fill the vacancy created by the transfer of Mr. Hausmann from Indiana to Minnesota, is a young man well qualified to assume the duties assigned to him, having had several years of local agency experience with J. F. Murdock & Co., Logansport, Ind. He resigned as manager of that agency to accept the field position with the American, Columbia of Dayton and Dixie.

Mr. Myers will share offices with State Agent Pritchett and Special Agent L. C. Everson at 612 Chamber of Commerce building, Indianapolis.

Johnston Sent to Illinois

Will Replace R. S. Tucker for Fidelity-Phenix and First American—Schwilk Minnesota Special Agent

The America Fore reports field changes as follows:

E. H. Johnston, formerly special agent in Minnesota, has been transferred to Illinois as special agent for Fidelity-Phenix and First American replacing R. S. Tucker, resigned. He will maintain headquarters at 844 Rush street, Chicago. Mr. Johnston is a young man of much promise. He acquired local agency experience in the office of Dulaney, Johnston & Priest, Wichita, Kan., his father being H. R. Johnston of that firm.

E. E. Schwilk, now attached to the Minnesota underwriting division, has been appointed special agent for Minnesota in succession to Mr. Johnston. In this capacity he will act as assistant to State Agent N. Dekker. Headquarters will be maintained at 1106 Plymouth building, Minneapolis. Mr. Schwilk has been in the western department office since 1929 where his work has been of such character as to have gained for him this opportunity to engage in field work.

Mr. Tucker was formerly Illinois state agent of the Niagara and has been prominent in the Illinois Fire Underwriters Association, serving as its president.

Resume Iowa Field Meetings

DES MOINES—The executive committee of the Iowa Fire Underwriters Association will hold a meeting Sept. 16 followed by a luncheon. The Iowa Blue Goose will hold its first fall meeting Sept. 19.

Ohio Field Men's Meeting

First Fall Meeting Was Held This Week in Cincinnati with E. B. Leighton as the Presiding Officer

CINCINNATI.—The first fall meeting of the Ohio Fire Underwriters Association was called to order by E. B.

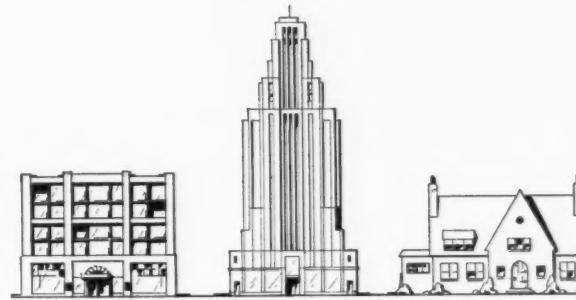
Leighton Continental, president. The following membership applications were accepted: A. H. Reich, Royal-Liverpool groups; E. C. Bergen, Ohio Insurance Co.; E. N. Cunningham, American National Fire; G. W. Whitford, Fire Association. H. R. Underwood, Providence Washington, secretary, announced that the October meeting would be held on the 11th, the speaker being F. S. Dauwalter, director of B. D. O.

R. E. Metzger, Reliable Fire, reporting for the forms and rules committee, said that dwelling house form number 49 had been revised so that automatic coverage was given on garages, barns,

and outbuildings not specifically mentioned in the policy not to exceed five percent of the dwelling value. He discussed the situation at Canton, where the city had originally required that the fire policy be filed for checkup by the fire department when called out beyond the city limits. The Canton department charges \$300 for runs beyond the city limits. A certificate is now filed and Mr. Leighton appointed a committee of Canton fieldmen, H. P. Winter, Continental, and A. B. Mehaffey, Hartford, to iron out details with the city and the Insurance Club of Canton.

The possibility of a special session

All of your customers own or rent buildings



They need RENT—RENTAL VALUE or LEASEHOLD INSURANCE

These are important coverages not widely understood by insurance buyers. It is unfortunate that they are not better known because they offer particularly desirable protection.

However, because the policies are little known, there is greater opportunity for you to sell them. A brief explanation quickly shows their value. Hence we make this suggestion.

Go through your customer and prospect files. Make three lists: one, owners of property which they rent to others; a second, owners who occupy their own property; a third, tenants who hold valuable leases.

Rent Insurance is of particular interest to the first list. Rental Value is important to the second list. (Many names appear on both.) Leasehold Interest has great appeal to the third group. These policies offer you something specific to sell—and that is important in days when buyers are annoyed by generalities. Your own lists will give you first grade prospects.

Copies of our pamphlet "Protecting Rents and Rentals" are yours for the asking. You should have full information on these forms. Shall we send a representative to discuss them?

Agricultural
Insurance Company
of Des Moines, Ia.

Empire State
Insurance Company
of Des Moines, Ia.

EVERY TYPE OF PROPERTY INSURANCE FOR INDUSTRY AND THE HOME

for the 1938 state legislature appeared remote, R. S. Tidrick, Springfield Fire & Marine, said. He advocated agitation for no more taxes of any kind. D. P. Hague-Rogers, Eagle Star, commented on Business Development activities. A fire prevention meeting has been called Sept. 21 at Defiance.

Members stood for a moment in silence as a tribute to the late George A. Lane, state agent America Fire group. Mr. Leighton appointed a committee consisting of D. C. Morgan, State of Pennsylvania; M. F. Grim, Phoenix of Hartford, and A. B. Fipp, Allemania, to prepare a memorial resolution.

Firemen's Makes Shifts in Michigan and Ohio

The Firemen's group has added another field man to its Northeastern Ohio territory. He is George E. Woodfield, who has been located at Jackson, Mich., as state agent for Firemen's, Girard F. & M., and Keystone Underwriters. In his new territory, with headquarters in Cleveland, he will represent Milwaukee Mechanics, Girard and Keystone Underwriters. Those companies were formerly handled in northeastern Ohio by the other two state agents.

Succeeding Mr. Woodfield in Jack-

son is C. B. Herrick, who heretofore has been serving as special agent with headquarters in Jackson under State Agent M. L. Degenar for Concordia, Milwaukee Mechanics, National-Ben Franklin and Pittsburgh Underwriters.

Floyd W. Buschlen, heretofore special agent in Indianapolis, is transferred to Jackson to take over the work formerly handled by Mr. Herrick.

Alabama Field Men Name R. S. Greer New President

BIRMINGHAM, ALA.—Robert S. Greer, special agent New York Underwriters, was elected president of the Alabama Fieldmen's Association at the annual meeting here. E. G. Darling, Aetna Fire, is vice-president, and L. S. Stynchcombe, Firemen's Fund, secretary-treasurer. Members of the executive committee are Dana Kilcrease, Fidelity & Guaranty; Bokover Toy, Scottish Union & National; Henry Pitot, Liverpool & London & Globe; W. G. Ward, Brame, Ward & Hancock; Bruce A. Gibson, Home of New York, and W. L. Burnham, St. Paul Fire & Marine.

Sellers Lightfoot, retiring president, recommended the appointment of a public relations committee, also one to

handle rates and other matters in cooperation with the Southeastern Underwriters Association. He said the public relations committee among other duties could see that speakers are furnished for various trade and civic meetings to present the subject of insurance, and especially stock insurance, in the proper light.

During the afternoon members and their families attended the annual picnic of the Alabama Blue Goose at Tapwingo, outside of Birmingham. A number of Georgia field men were present.

Plans for Grand Nest Rally

Ohio Pond Appoints Committees to Take Charge of Arrangements for the 1939 Conclave in Cincinnati

CINCINNATI.—Committees for activities attendant upon entertainment of the grand nest of the Blue Goose at Cincinnati in 1939 were announced at the business meeting of the Ohio pond. A. C. Guy, Western Adjustment, is general chairman of arrangements, and B. F. Flood, Royal-Liverpool groups, is executive secretary. Committee chairmen are as follows: Executive, H. R. Underwood, Providence Washington; finance, W. A. Sawyer, Firemen's Fund; arrangements, G. H. Allen, Royal-Liverpool groups; publicity, G. E. Wohlgeleuth, THE NATIONAL UNDERWRITER; reception and transportation, H. E. Adamson, Western Adjustment; home office, W. O. McLellan, American National Fire; reunion, L. C. Heller, Providence Washington; registration and credentials, L. A. Finch, Underwriters Adjusting; general entertainment, E. F. Gallagher, Ohio Inspection Bureau; ladies, Mrs. L. A. Finch; golf, J. J. Conway, Western Adjustment; hotel, G. J. Burer, Travelers; decorations, favors and souvenirs, H. D. Balyeat; programs, tickets and badges, A. S. Snow, Camden.

Ohio Ranks Third

Most Loyal Gander H. L. Rubrecht, St. Paul Fire & Marine, reported that the Ohio pond ranked third in gain in membership for the year ending with the Los Angeles convention, E. A. Reid, London Assurance, and his membership committee being largely responsible for this excellent showing. Wielder B. F. Flood, Royal-Liverpool groups, said that membership in the Ohio pond was 394. W. A. Sawyer, Firemen's Fund, stated for the finance committee that the treasury was in excellent shape to finance the grand nest meeting.

R. W. Hukill, Firemen's Fund, reported on the Los Angeles meeting. He was warmly greeted and congratulated because of the honor brought to the Ohio pond through his election as most loyal grand gander at the Los Angeles meeting.

The following were initiated: E. M. Cunningham, American National Fire; L. W. Ficken, Western Adjustment; A. J. Charron, Dearborn National; Allan Moorman, attorney; G. B. Whitford, Fire Association; R. B. Mills, Underwriters Adjusting; Wells Elliot, Western Adjustment.

High Spot in the Outing

High spot of the outing, the annual baseball game between Cincinnati and an up-state aggregation, was won by Cincinnati for the third year in succession 9-7 in a 10 inning game under Capt. Joseph Rielage, Ohio Audit Bureau. E. H. Forkel, assistant western manager National Fire of Hartford, knocked out the only home run of the game for Cincinnati his first time at bat. Captain Rielage was presented a ball autographed by members of the Ohio pond for his accomplishment in leading Cincinnati to victory for three successive years. Cincinnati pitchers were G. J. Burer, Travelers, and E. V. Winter.

E. B. Dillhoff, vice-president Cincinnati Fire Underwriters Association, presented the association's golf trophy to W. P. Hague-Rogers, Eagle Star. John Thomson, Earls-Blain agency, Cincinnati, awarded the other golf trophies as

follows: Low gross, E. E. Heasley, Underwriters Adjusting; low net, J. J. Conway, Western Adjustment; high gross, F. Cotterman, Western Adjustment; most number of pars, Leland Meeks, Fidelity & Guaranty Fire; high score on any one hole, G. W. Brinsmaid, Midland agency; blind bogey, 1st, W. O. McLellan, American National Fire; 3rd prize, M. W. Slawson, Royal-Liverpool groups; 4th prize, R. W. Hukill, Fireman's Fund.

Guests included Raymond Rhoads, assistant to superintendent, and W. A. Robinson, actuary, Ohio department; John A. Lloyd, executive secretary Ohio Association of Insurance Agents, and Leland Meeks, Fidelity & Guaranty Fire, most loyal gander Kentucky pond, who promised 100 percent cooperation with the Ohio pond when it entertains the grand nest meeting next year at Cincinnati. H. L. Rubrecht, St. Paul Fire & Marine, most loyal gander Ohio pond, was master of ceremonies at the dinner.

Death of John E. Knapp

John E. Knapp, former Illinois state agent of the Concordia, who retired some six years ago, died at his home at San Antonio, Tex., last week. At one time he had also the National Ben Franklin and the Girard Fire & Marine. He was born in Fenton, Mich., March 22, 1873. He was in the real estate and loan business for a while and then went with the western department of the Liverpool & London & Globe in Chicago being made special agent for Illinois in 1906. He traveled for the Citizens of Missouri going with that company in 1908 and went with the Pennsylvania Fire in Illinois in 1912. He started with the Concordia in Illinois in 1916. He was president of the Illinois Field Club in his day. He made his headquarters at Jacksonville when he was traveling in Illinois. Lloyd J. Eppler of Springfield succeeded him as state agent of the Concordia.

Indiana Inspections

Gary, Ind., will be inspected by the Indiana State Fire Prevention Association, Sept. 28-29, with a get-together dinner on the evening of Sept. 27 for field men and local agents. A public banquet has been arranged for Sept. 29 at which J. Burr Taylor, Western Actuarial Bureau, will be a speaker.

An inspection of New Albany is scheduled with Nov. 3 as a tentative date.

Kessler Heads Virginia Pond

John W. Kessler, Virginia Fire & Marine, was elected most loyal gander of the Virginia Blue Goose at a special meeting this week, succeeding R. F. Rushin, Home of New York, resigned. He has been supervisor. Other officers chosen were A. C. Word, L. E. English, Inc., supervisor; W. C. Saunders, Jr., Firemen's Fund, custodian; E. H. Stover, Aetna Fire, guardian; G. G. Jefferson, B. P. Carter General Agency, keeper; W. H. Davidson, Fire Companies Adjustment Bureau, wielder.

Price Is Michigan Chairman

DETROIT.—G. R. Edleman, Home of New York, president Michigan Fire Underwriters Association, announced the executive committee at a directors meeting. R. J. Price, New York Underwriters, is chairman, with the following members: George Haage, Norwich Union; John Horn, Travelers Fire; C. H. Metzner, Phoenix of Hartford, and R. O. Young, Grand Rapids, North America. The first fall regular meeting was held in Detroit this week.

Gets Photo of Blue Geese

K. H. C. Dunbar, wielder of the California Blue Goose, is the proud, if temporary, owner of a natural color photograph of a pair of Canadian blue geese, taken in the Inglewood Bird Sanctuary, Calgary, Alta. The photo, handsomely framed, was the gift of Wielder W. F. Solomon of the Alberta pond, who was

If it's Background You Want—

How does an outstanding history of

144 years sound? That is what this grand old company boasts. It has come unscathed through very nearly a century and a half of "trial by fire." A dozen historic conflagrations, a score of financial panics or near-panics, five wars, innumerable problems of local or national importance—all have come and gone and left this second oldest American fire insurance company in an ever-strengthened position. It is a background of which its local agents are justly proud. It is with confidence and a knowledge of welcome from the buying public that they recommend this company to an increasing clientele year after year.

*The Insurance Company of
the STATE of PENNSYLVANIA*

CHARTERED IN 1794
PHILADELPHIA, PA.



a delegate to the recent grand nest convention in Los Angeles. Mr. Solomon also sent a similar photo to the wielder of the San Francisco pond.

Advisory Meeting in Casper

The Mountain Field Club, Howard Reynolds, president, held an early-season agency advisory meeting in Casper, Wyo., in conjunction with the Wyoming Association of Insurance Agents' convention.

Illinois Pond Party

The Illinois Blue Goose will hold a party at the Sunnyside Golf Club at Decatur Sept. 24. There will be a dinner and golf.

Peoria Luncheons Start

The Peoria puddle of Blue Goose resumed its weekly luncheons Monday noons at Block & Kuhl's tea room starting Sept. 12 to be continued throughout the year.

FIELD NOTES

The Illinois Fire Prevention Association will inspect Pontiac, Oct. 26.

John D. Pearson, Indiana state agent of the Glens Falls, is receiving congratulations on the birth of a daughter.

The wife of C. H. Norris, Indiana special agent of the Aetna farm department, died last week after a long illness.

The Dan T. Smith puddle of the Illinois Blue Goose is having a function Sept. 24, at the Sunnyside Golf Club in Decatur. There will be golf in the afternoon followed by a dinner dance.

Former President of the Rhode Island Is Dead

PROVIDENCE, R. I.—Emil G. Pieper, of the Pieper & Wilder agency here, who was president of the Rhode Island from 1924 to 1935, when he retired from the post, died at his home here at the age of 66. He was connected with insurance interests for half a century. Starting as an office boy with the New York Bowery, he became an officer of the National Standard of Providence and Assurance Company of America. He joined the Rhode Island in 1906.

His son, Clifford E. Pieper, is vice-president and secretary of the Rhode Island.

N. Y. Brokers to Meet

NEW YORK.—Dinner of the General Brokers Association of the Metropolitan district, will be held at the Hotel Astor the evening of Oct. 26.

Senator O'Brien Dies

NEW YORK.—State Senator Duncan T. O'Brien, vice-president of the New York city brokerage firm of B. J. Pater & Co., died at his home here. Long active in politics, he was a member of the state legislature since 1922, acting as chairman of the senate committee on insurance for several years. At the time of his death he was vice-chairman of the joint legislative committee for recodification of the insurance law.

Will Vote on Merger

Stockholders of the Fire Companies Building Corporation will meet Sept. 16, to vote on the proposed merger of the corporation with the American Eagle Fire. The Fire Companies Building Corporation is owned by the companies composing the America Fire, all of which are housed in the structure, and the intended merger is intended merely for the more convenient handling of its affairs.

WANTED—FIELDMAN FOR NEW YORK STATE BY PARTICIPATING STOCK COMPANY

Reply giving full personal details, experience in fire insurance, salary expected and enclose photograph.

ADDRESS H-98, NATIONAL UNDERWRITER

Applications for U. S. Crop Insurance Number 180,000 from Winter Wheat Region

More than 180,000 wheat growers in 20 states have applied for all-risk wheat crop insurance policies on their 1939 harvests, Federal Crop Insurance Corporation announces.

Most of the applications were from the principal winter wheat regions where signing of applications began July 15 and ended Aug. 31. The signing of applications from spring wheat states will continue until shortly before the crop is planted.

With 28,000 applications, Nebraska led all of the winter wheat states. Missouri had 27,000; Kansas, 22,500; Ohio, 21,000; Illinois, 18,416; Indiana, 14,750; Oklahoma, 13,000; Michigan, 8,000; Iowa, 6,562; Minnesota, 5,560; Texas, 4,800; Colorado, 3,536; South Dakota, 3,000; Montana, 1,495; North Dakota, 1,138; Idaho, 875; Wyoming, 646; New Mexico, 336; Utah, 350; and Wisconsin, 98.

In California, Arizona, Washington, Oregon, and Nevada, applications may be received up to Nov. 30. In eastern states the deadline is Sept. 30.

Not all applications will become policies, since the number of policies in force will be limited by the number of premiums paid.

In certain areas, wheat growers will not be able to pay premiums unless they are able to obtain financing. Federal Crop Insurance Corporation has informed lending agencies of the provisions by which a wheat crop policy may be assigned as collateral for loans to pay the premium and to care for the crop.

Factory Warehouses Now Included in I.U.B. Setup

The governing committee of the Interstate Underwriters Board has extended the I.U.B. rules to permit coverage on warehouses at manufacturing plants with the understanding that any warehouse communicating with a manufacturing plant and cut off in a manner approved by the rating board having jurisdiction be considered as a warehouse. This was a compromise with those in the business who have been advocating that the reporting principle be made applicable to manufacturing plants. It may turn out that the extension of rules to embrace warehouses at manufacturing plants will be a first step in that direction.

It is assumed that the change will be approved in connection with single state reporting forms 1 and A as well as for the merchandise and fixture form, when the rules are amended in the various states.

It is not permissible, under the new rule, to consider individual warehouses at a manufacturing plant as separate locations, so as to produce the five locations that are required to make a risk eligible for I.U.B. treatment. In other words, the entire plant and not each individual unit is considered as a location.

Adjusters to Meet in Des Moines

President A. M. Foley of the National Association of Independent Insurance Adjusters will be in Des Moines, Sept. 18 at the Kirkwood Hotel to meet with the Iowa association. H. E. Kopf of the law office of Lambach, Kopf & Berger of Davenport is Iowa president. Ross Whitney of Whitney & Miller of Chicago, C. A. Moore of Springfield and R. T. Gustafson of Omaha will be present. O. J. Shade of Mitchell, S. D., expects to be present. Adjusters in Iowa, Illinois, Minnesota, Nebraska and South Dakota are especially invited.

Pinchback Taylor, well known local agent, has been named chairman of the better housing committee of the Pine-Bluff, Ark., chamber of commerce.



A VERY PERSONAL FRIEND

Agents of the Ohio Farmers often think of the Old Man on the Fence as a real living person instead of the famous trade-mark of an American fire insurance company.

Of course, there is an excellent reason for this feeling — it's the warm, helpful personality of the ninety-year-old Company for which he stands; a Company which puts into

daily practice the theory that thorough and unbiased co-operation between Company and Agent is necessary for their mutual success — not to mention the streamlined cash-value service which helps so much to make Ohio Farmers representation profitable as well as pleasant.

If this kind of representation appeals to you, why not drop us a line?

• OHIO FARMERS • INSURANCE COMPANY

Chartered 1848

LE ROY, OHIO

AS SEEN FROM CHICAGO

HUNT NOW IN SAN DIEGO

Clark N. Hunt, who was formerly Cook county special agent for the Great American group, is now at 1726 Meade avenue, San Diego, Cal. He was well known in the insurance district in Chicago and at one time traveled in the field.

KERWIN IS BACK ON JOB

R. M. Kerwin, independent adjuster of Chicago, has returned to work following an illness of three months. His son, David, partner in Kerwin & Ruff, law firm, handled the adjusting accounts during his absence.

CAMERA CLUB RESUMES

The Insurance Exchange Camera Club, Chicago, resumed its meetings this week, F. S. Coffin of Moore, Case, Lyman & Hubbard presiding. A question and answer period was held, Hamilton M. Loeb of Eliel & Loeb, and Vincent L. Gallagher, western manager Pearl, taking part. Mr. Loeb exhibited some of his prints. The next meeting will be Oct. 3, when Jack Hazelhurst, noted photographer and author, will speak on "Photography as a Hobby." A salon is scheduled later, closing date for submission of prints being in December.

IRA GOSS BACK ON JOB

Ira D. Goss, farm and hail manager for America Fore, returned to his desk in Chicago this week after having been away about three months on a European trip. He stayed at Jachymov, Czechoslovakia, about five weeks, undergoing bath treatments at the state-operated institution there and then visited in Berlin about three weeks before sailing home.

FRANK CARGILL IS IMPROVING

Frank G. Cargill, executive representative in Chicago for North British & Mercantile, who has been confined in Chicago Memorial Hospital about three weeks, is reported to be considerably improved and unless he suffers a setback, should be able to see visitors in less than a week. He returned from his vacation at Mackinac Island feeling under the weather and he was taken to the hospital for treatment.

JOHN GARDNER TO ENGLAND

John Gardner, manager of the brokerage department in Chicago for Pearl, is sailing for England. He will be there about two months. This is his first trip to his native land since coming to this country about five years ago.

CHICAGO PREMIUMS DECREASE

The Chicago "Journal of Commerce" in a survey of Chicago and Cook County fire insurance premiums for the first six months shows a decrease of 16.1 percent compared with a year ago. This questionnaire was sent to 30 leading groups comprising 122 companies representing 75 percent of the business written by stock companies in the county. Only five of these groups reported increases over the first six months. The Pearl fleet had the largest with a 34 percent increase. The Aetna Fire showed a gain of 4 percent, the St. Paul Fire & Marine and Dubuque Fire & Marine 2 percent each and the Sun, 1 percent. The decreases among the other groups were as follows: Home, 14; America Fore, 22; Royal-L. & L. & G., 17; Hartford Fire, 24; Firemen's, 20; North British & Mercantile, 10; North America, 15; London & Lancashire, 11; Phoenix of Hartford, 10; Crum & Forster, 12; Springfield F. & M., 11; National of Hartford, 14; Corroon & Reynolds, 10; American of Newark, 10; Tokio, 10; Fireman's Fund, 19; Commercial Union, 17; Great American, 6; Automobile of Hartford, 9; Glens Falls, 13; Fire Association, 2; London Assurance, 4; Fi-

dentity & Guaranty Fire, 9; Travelers Fire, 11; Northern Assurance, 8.

The Home of New York led the first six months with \$536,933. The America Fore was next with \$493,530. Other leaders were Royal-L. & L. & G., \$422,156; Hartford Fire, \$367,548; Firemen's, \$362,202; North British & Mercantile, \$334,487; North America, \$326,098; Aetna Fire, \$281,170; London & Lancashire, \$275,336; Phoenix of Hartford, \$264,436; Crum & Forster, \$245,927; Springfield F. & M., \$224,756; National of Hartford, \$222,757; Pearl, \$188,890; Corroon & Reynolds, \$198,245; American of Newark, \$175,603.

C. G. BULKLEY IN CHICAGO

Charles G. Bulkley, who has just joined Springfield Fire & Marine as a field man with headquarters in the head office city, is in Chicago for about two weeks, visiting his brother, Grant Bulkley, who is secretary of Springfield F. &

M. in the western department. He is improving his knowledge of the inland marine business while he is in Chicago. Until he made the change, he was traveling for Aetna Fire in central New York. He is one of four sons of President George G. Bulkley of Springfield F. & M., three of whom are in the insurance business.

LOSS MANAGERS' CONFERENCE

Heads of the loss departments of more than 50 major mutual fire companies are expected to be on hand when the annual loss managers conference of the Federation of Mutual Fire Insurance Companies comes together at the Edgewater Beach Hotel in Chicago Sept. 22. The loss executives will hold a two-day meeting. Prominent among the speakers will be L. D. Baker, Michigan Millers Mutual Fire, who is vice-president of the Federation of Mutual Fire Insurance Companies, and Adjuster F. L. Erion of Chicago.

C. G. KUECHLER. Chicago and Cook County manager of the North America, has returned from a vacation trip to Bermuda.

VIEWED FROM NEW YORK

By GEORGE A. WATSON

SIMPSON IN NEW YORK

J. D. Simpson, general manager of the Royal-Liverpool groups, is spending some time in New York following a short vacation in Canada. Mrs. Simpson and their son returned to England on the "Queen Mary." Mr. Simpson is remaining on this side for several weeks. He will spend a part of the time in Canada.

U. & O. QUIZ WORK

Frank G. Howard is the author and the Northern Assurance publisher of a most informative work on use and occupancy insurance, of which subject Mr. Howard has made an intensive study for several years and in which he is a recognized authority. Titled "U. & O. Quiz," the work, after defining terms used in writing the line, consists of a series of questions and answers, 178 in all, concerning the application of the various forms of coverage, their respective method of application and the manner of computing rate charges for each.

C. E. WICKHAM'S NEW VENTURE

C. E. Wickham, who retired as New York City manager of the American of Newark at the beginning of the year after some 40 years experience in agency ranks in the metropolis, has established an agency in Miami, Fla., and in addition to handling local accounts will service such business of New York brokers in the southern territory as may be entrusted to him. At one time Mr. Wickham was associated with Archibald French, now vice-president of the Firemen's of Newark, in agency work in New York, following which he conducted the agency solely.

NEW YORK AGENCY AGREEMENT

A special committee on agency agreement of the New York Fire Insurance Exchange will propose a revised form and commission scale to the members at their meeting this week. H. H. Clutia, president of the Northern of New York, is chairman. Chairman Clutia in notifying members said that none of the recommendations involve any change in the agreement of the exchange or in the commission scale at present in use. Some of the members, however, disagree with the committee. They claim that there are some revisions that will have an effect. They refer particularly to section 3 of the agreement which reads, "Accounts of money due the company on the business placed by the agents are to be rendered monthly, the balance therein shown to be due shall be paid not later than 90 days after the end of the month for which the account is rendered." The

objecting members say that this would require a change in the exchange agreement as the organization has never undertaken to say anything about the time for payment of balances by agents to companies.

Another provision brought about considerable disagreement, it being the one dealing with the termination of agencies. The revised proposal stipulates that an agency agreement "may be terminated any time within one year of the date of the appointment of the agency by either party giving notice in writing to the other and thereafter may be terminated at any time by either party giving 90 days notice in writing to the other."

The committee evidently feels that a company and agency become acquainted with each other in the first year and after that they should be sufficiently well known to one another not to make it imperative to sever relations immediately.

G. O. RUSSELL, BOSTON, DIES

George O. Russell, who had been for many years a prominent agent in Boston, died the other day at the age of

Quaid Sees Loss Ratio Go Up and Then Go Down

The San Francisco "Chronicle" the other day featured prominently the story of the hoax that was pulled on William Quaid, vice-president of the Home of New York, at the meeting of the Oregon Insurance Agents Association. Part of the layout included a picture of James Todd of the Edward Brown & Sons general agency, San Francisco, who perpetrated the hoax in collusion with A. M. Brown of the same office.

At the Oregon convention, with Mr. Brown at the piano, Mr. Todd gave a performance on a violin for a group, including Mr. Quaid, who expressed admiration. Mr. Brown told Mr. Quaid that the violin was a genuine "Guarnieri" and was insured in the Home for \$5,000.

As related in the "Chronicle," Mr. Quaid exhibited nervousness from then on and constituted himself as guardian of the violin. At the banquet Mr. Todd and Mr. Brown were introduced. They staged a mock row between themselves and Mr. Todd crashed the violin on the table and stalked out of the room.

Mr. Todd returned a few minutes later with the genuine "Guarnieri" and informed Mr. Quaid that the broken fiddle had been purchased in a pawn shop for \$2.50.

New Manager



JAMES F. CRAFTS, Boston

James F. Crafts, assistant manager of the eastern department of the Fireman's Fund group at Boston who succeeds Second Vice-president C. C. Hannah who goes to the home office, has been assistant manager since 1930. He is one of the younger executives who has made an outstanding record.

75. He started with H. E. Darling in Boston in 1889 and later became a partner under the firm name of Darling & Russell. Upon the death of Mr. Darling, Mr. Russell formed a partnership with H. G. Fairfield. The firm operated for a number of years as Russell, Fairfield & Ellis. George O. Russell, Jr., is connected with Travelers.

North America Issues New Personal Insurance Survey

The North America has designed a form for use in making a survey of personal insurance. It will only be released to agents after it has been explained to them personally by field men. It was designed to be a selling instrument, a device to aid in the actual closing of sales. It is in simplified form. The main subdivision under the heading "Interest Insured" are: building, personal property, legal responsibility and automobiles. Opposite each of these classifications is a list of "hazards insured" with space for entering the prospect's present insurance, other space for setting up the "ideal" program and a third column which is for "escape" purposes. The agent will be instructed to set up an ideal program and then as this is modified by the assured, the compromise program can be set forth in the "escape" column. The idea is that this will avoid the necessity of the agent going back to his office to set up a new recommended program should the assured desire to make amendments in the program recommended by the agent.

At the same time the North America has designed an extensive questionnaire for the development of information upon which a recommended program can be set up.

Kansas Crop Insurance Plan Ends in Receivership

TOPEKA—Sowers Plan Crop Insurance Mutual was placed in receivership Tuesday. This company was organized about two years ago, and has been seeking to write crop insurance on wheat.

The Sowers concern used a copyrighted insurance plan that was devised by A. L. Sowers. Ralph B. Thompson was president.

Several Laws Involved in Federal Insurance Probe

Attorney Naujoks of Chicago Gives Discussion of Subject at Meeting of Lawyers

H. H. Naujoks of Eckert & Meyers, Chicago, addressed the meeting of the Chicago Life Insurance Lawyers Club this week on the statutes which may be involved in the federal anti-monopoly investigation of insurance companies. He expressed the belief that the future course of the investment practices of many insurance companies may be determined by the results of this investigation. Therefore, the final study and recommendations of the Securities & Exchange Commission on this subject will be awaited with interest by lawyers, especially those who specialize in insurance practice.

Mr. Naujoks gave an analysis of the Sherman anti-trust law, the securities act of 1933, the securities exchange act of 1934, and section 77-B of the federal bankruptcy act.

These various statutes, he pointed out, have a bearing upon the investigation.

Official Purpose Stated

Mr. Naujoks observed that the scope and direction of the SEC study of insurance companies has not been fully stated and the President's message with respect to insurance investment policy affords the commission wide latitude. However, he said, it has been officially declared that the study is not to be an investigation of the insurance business, but that the major purpose will be to determine the extent to which insurance companies' investments further or lend themselves to monopolies or monopolistic tendencies in other industries.

It is suggested, he said, that the influence of insurers in other industries is wielded by reason of the fact that the insurers may negotiate for and take up in its entirety a security issue of an industrial corporation, which corporation is thus relieved of the necessity of filing a registration statement with SEC. In this way, it is said, an insurer may finance a particular industrial corporation and thus give to it an advantage over competitors. At the same time, it was implied, the insurers thus acquire interests in industrial corporations and are in a strategic position to influence the policies of those corporations.

Other Phases Suggested

Other phases of the investigation that have been suggested in the newspapers, he said, are the influence which may be brought about by officials of the industrial corporations serving as insurance company directors and questions involving new investments of large funds of policyholders, the relationship of big and small insurance carriers as well as

Grand Rapids Local Agents Hold Annual Meeting



ARCHIE D. MILLARD

GRAND RAPIDS, MICH.—The Grand Rapids Association of Insurance Agents at the annual meeting elected Archie D. Millard, president, succeeding Henry Wilson. Other new officers are: Vice-president, Hugh Utley; secretary-treasurer (reelected), H. P. Hugenholtz; executive committee, James Crosby, Jr., George Bickle, David Forbes and Tony Noordwier. Messrs. Millard, Wilson and Hugenholtz were elected delegates to the National Association of Insurance Agents convention in St. Paul.

The major project, to provide the city a comprehensive traffic survey as the basis for promotion of greater safety and reduction of accidents, was reviewed and it was voted to continue to support this work.

the concentration of huge funds in the hands of single insurance companies.

Insurance companies, Mr. Naujoks pointed out, are by far the largest corporate investors in the country. Legal reserve life companies hold more than \$1,300,000,000 of state, county and municipal bonds; \$850,000,000 in farm mortgages; \$3,780,000,000 of other mortgages and \$3,548,000,000 of U. S. government bonds, which represents about 8 percent of the federal debt. The holdings of such companies in railroads was about \$3,000,000,000 and in public utilities about \$2,458,000,000 in 1936.

Industrials, Utilities, Railroads

The only securities held by Insurers that would normally be the subject of monopolistic tendencies or practices, he said, would be the issues of industrials, utilities and railroad corporations. The

position of insurers as holders of such securities would be no different with respect to such ownership from that of banks, trust companies and other large investors. Inquiry might develop along two lines, he said: first, where the insurer owns all of the securities of a particular industrial corporation and second, where the insurance company in conjunction with other large investors owns securities of an industrial corporation. Thus, the statutes which may be involved in this inquiry may be brought into play by the insurance company alone. And, under certain circumstances, applicable statutes may be brought into play because of action taken by an insurance company in conjunction with other individuals or corporations, to protect its investment, as where such insurance company carries out a program in a reorganization scheme in cooperation with other investors.

Membership in the Florida Insurance Agents Association now stands at 517.

Mutual Cuts Loss Payments to Avoid Assessment

An interesting course is being pursued by the Farmers Educational & Cooperative Union with headquarters at Oklahoma City. It notifies claimants that the adjusting bureau has studied its losses carefully and decided that a 10 percent deduction must be made on all claims in order that the company might come out "even," as Secretary Z. H. Lawter puts it. The company, he says, has paid \$35,000 in losses and still has some pending. Secretary Lawter states that he believed that a deduction should be made in losses rather than make a special assessment. This company writes chiefly hail on growing crops.

Fire, Tornado, Automobile Insurance

THE LONDON & LANCASHIRE INSURANCE COMPANY, LTD.

ORIENT INSURANCE COMPANY

LAW UNION & ROCK INSURANCE COMPANY, LTD.

SAFEGUARD INSURANCE COMPANY

ENGLISH AMERICAN UNDERWRITERS AGENCY

STANDARD MARINE INSURANCE COMPANY, LTD. (Fire Dept.)

GILBERT KINGAN, Manager
Eastern Department
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Hartford, Connecticut

W. W. GILMORE, Manager
Pacific Department
332 Pine St.
San Francisco, Cal.

C. CLAUSSEN, Manager
Western Department
223 W. Jackson Blvd.
Chicago, Illinois

For Over Fifty Years Good Friends of Local Agents

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SAN FRANCISCO

LOS ANGELES

PORTLAND

SEATTLE

VANCOUVER

MONTREAL

BOSTON

ST. LOUIS

LONDON

ADVERTISING MEN GIVE SUGGESTIONS

(CONTINUED FROM PAGE 5)

Through the use of secret dictograph equipment he has had his ear to the keyhole in many buyers' offices and has obtained interesting evidence to show that the average salesman fails to use advertising as he should in his work. A salesman, he said, could secure through the medium of advertising information in advance of the sales call and in this way pave his way and avoid the apologetic, negative interview. He studied the work of two insurance agents over a period of years. They were young men, about the same age, 27 and 29. One made four times as many sales as the other and earned twice as much money. One discovered that he could use direct mail advertising with excellent effect. He used advertising to follow up his initial contacts and keep the interest of prospects alive between interviews.

Public Opinion a Mighty Factor

A. B. McIntire, vice-president Pepperell Manufacturing Company of Boston, said that the insurance companies have made people insurance conscious. Men in advertising, he declared, have fallen down on the job. They have failed to scale the hills of hard work and the hardest one is thinking. He said that they had chosen to use only a small part of the power of advertising. The best definition of advertising he has found is: "Advertising is the molding of public opinion in favor of your product, your service or your business." Public opinion, he said, is one of the mightiest factors in the world today. All advertising, he said, should not sell. He contends that some should do a little molding of favorable public opinion toward the advertiser. American industry, he said, has failed through advertising to sell itself to the American public and in that he believes that advertising's biggest job is still to be done. Mr. McIntire said, "If the public knows more about us, knows more about how we make our goods, more about how we run our businesses, how honest we are, and how we are striving with might and main to give them good merchandise full of honest value well worth the price they are asked to pay for it, they will not be so willing and ready to submit to these crackpots who lead them off into idle paths. That's where advertising is coming in. That's where advertising's biggest job is still to be done."

C. J. Fitzpatrick's Views

C. J. Fitzpatrick, secretary and vice-president U. S. Fidelity & Guaranty, said that no two agents solicit alike nor no two have the same problems, type of prospect, personality or approach. He said that no mailing piece should reach its finished form without 10 or 12 key producers being consulted. The advertising men, he said, will always find it of advantage to consult agents at the same time that they consult layout people and printers.

S. F. Withe of the Aetna Casualty & Surety talked on educational motion pictures. He said that rather than assertions of usefulness there should be a demonstration of usefulness of any method. When an agent demonstrates his usefulness he wants to show that he is worth the compensation he receives. The most obvious way is by the service he renders policyholders in studying their insurance needs, in keeping them advised of changes, of factors of interest to them. The agent who gives a personal service to his clients day in and day out builds a wall about his business that defies any and all attacks by the direct writers or price cutters, Mr. Withe said. There are many ways, he said, that he can make himself valuable in community welfare.

Educational Motion Pictures

Mr. Withe said that his own experience with educational motion pictures dates from 1932 when he endeavored to sell the idea of sponsoring a highway safety film to be offered to agents of bureu companies as a unit in a public re-

lations program. The companies turned it down so the Aetna Casualty took it up. The first year it was shown to 6,294,765 persons. This film, "Saving Seconds," has been in circulation more than four years. Over 500 prints are in active use. The success of this film naturally suggested the development of an Aetna Casualty library of educational films which now contain 14 long and short subjects. These films have been used as a special feature in meetings, luncheon clubs, church groups, etc. Wherever possible, he said, they are sponsored by the local Aetna Casualty agent who introduces the picture either in his own words or follows one of the suggested talks furnished with the film. Mr. Withe said that the company recommends that no reference be made in the agent's introductory talk to insurance or to anything that could be construed as a solicitation however indirect.

A. D. Grose's Talk

A. D. Grose of the Employers Liability group said that if national advertising does nothing else it helps to prove to the agents of the company that there is ample opportunity for the sale of various insurance contracts right nearby. It is the belief of his company that a comparatively small national advertising appropriation will get the advertiser plenty of evidence to offer the agent who does not recognize his sales opportunities. The Employers Liability has found that a person will write just as quickly for a book plainly labeled "Insurance for the Home" as for a booklet having to do with accident, fire and fire prevention. He said that in this case some interesting information came to light.

Over a third of those making requests for booklets were men, slightly over 50 percent were married women and 13 percent were unmarried women. The booklet on crime prevention proved to be the most popular. Home accident prevention booklets were sent out in the largest quantity, fire prevention in the home, second; automobile accident prevention, third. This, he said, was due to the booklet, "Outwitting the Burglar," as compared with those having to do with accident prevention. Therefore, it would indicate, he said, that the agent could use residence burglary insurance as an entering wedge better than he could use some other coverage. He said that from its experience the Employers Liability believes that it is worth while for stock casualty or fire company to conduct its national advertising for the agent, about the agent and with the agent's help. He asked whether an agent could be sold on the idea that money spent for national advertising can help him in his own home town.

C. F. J. HARRINGTON

C. F. J. Harrington, Massachusetts commissioner, formerly a local agent in Boston, gave the welcome to the conference. He said that for many years those laboring in the producing field have tried to impress on company executives the desirability of taking the public into their confidence; of eliminating the mystery with which the business is surrounded in some of its activities. He found there has been a reluctance on part of individual companies to undertake a broad, comprehensive program of public education because of the complexity and enormity of the task. Commissioner Harrington said that through feature stories intelligent writers can interpret the insurance business so that the reading public will have a better comprehension of it. He characterized insurance as the fourth largest business in this country and said that it would be interesting to find the number of people who obtain their livelihood from it.

He referred to an article written in

the Boston "Post" a few years ago by a well known writer who discussed the advantages and disadvantages of a state workman's compensation fund. This was written in an impartial and simple way and presented both sides so that readers could readily understand the advantages and disadvantages. He believes that in daily papers there should be these specialty articles written in a popular style.

PALMER AND TRAYNOR

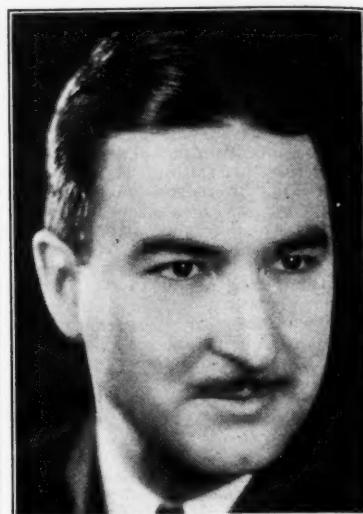
C. A. Palmer, North America, said that in planning a national advertising program a number of definite steps are necessary. First, there is research, which means a careful study of the potential market for the product to be advertised. When the idea or copy theme has been determined then comes the problem of physical presentation. Another problem is determining the unit space to be used to carry the message. Of the magazines reaching the particular part of the public one is after, which are the best for the purpose. The merchandising of the advertising has to be attended to. Agents must be kept informed of the advertising activities so that they can tie in their efforts and capitalize to their advantage on the advertising campaign.

W. J. Traynor, North British & Mercantile, who took up the subject of merchandising of novelties, said that it has always been his feeling that insurance companies should stay out of the novelty selling field as much as possible and confine their efforts strictly and only to bringing to the attention of the agent some novelty which might be distributed. The North British, he said, took up a year book and diary for agents to distribute. The response was so favorable that the proposition was offered for five succeeding years. When the North British went into the diary proposition there were comparatively few insurance companies following this line. However, year after year saw more and more take on the same proposition. Mr. Traynor said that it was finally decided that the company needed a new proposition. Then the calendar card was used. It went over so well that last year the offer was extended to all agents in the North British group, five companies. In all about 5 percent of the agency force participated. This year the same proposition, he said, will be offered and it is anticipated that the number of agents participating will be doubled. It has been the policy of his company, Mr. Traynor said, to offer but a few carefully selected novelty merchandising propositions. If any agent is interested in purchasing a particular novelty, or wants suggestions and prices for gifts to clients, it is the company practice, he said, to relay to him the necessary data and price, leaving it up to the agent to place his order direct with the manufacturer.

FIRE PREVENTION

W. L. Lewis, Agricultural, treated the relation of the advertising department to fire prevention work. He said that fire insurance companies should and do know, a great deal about fire prevention. It is not fair, he added, to home communities to duck the responsibilities. Agents are looked to for expert advice. Therefore, the companies have the responsibility of assisting the agents. The National Fire Protection Association and the National Board can do much but the companies should back these organizations. Every spring there is a cleanup week and in every fall fire prevention week. Companies can offer some specific suggestions. Fire prevention is not solely of interest to the insurance companies. All types of insurance men, he declared, should be eager to help make safer and sounder communities through the protection of life and job as well as the protection of property. The advertising department, he claimed, is a logical source for in-

Speaks at Advertising Conference Meeting



EARLE E. VOGT, Chicago

Earle E. Vogt, publicity and advertising manager of the Millers National of Chicago, who spoke at the annual meeting of the Insurance Advertising Conference at Osterville, Mass., this week has had a good background for his work. He has been with the company 15 years, starting in the underwriting department and, therefore, getting a very practical slant on insurance. His work in the production end and the development of sales ideas and methods have placed him on the top round of the ladder among insurance advertising men.

formation to agents, fire departments, chambers of commerce and the public generally.

DIRECT MAIL

E. E. Vogt, Millers National, discussed increasing the effectiveness of trade paper advertising by direct mail. He said that one good use of trade paper advertising is to send an advance-proof to each field man. He appreciates this advance information and he is more willing to tie his efforts into it. He studies the advertisement closer than he would if he saw it for the first time in a trade paper. Mr. Vogt said that he felt it desirable to direct the attention of agents to the advertisement. One of the functions of trade paper advertising is to keep established agents sold. Agents are interested in their own companies' advertising. Valuable copy slants, he said, can be secured from agents through questionnaires. Another use of direct mail is to circularize selected lists to prospective agents with reprints of current trade paper advertisements. Get the field men more prospect-minded, he added.

AGENTS' WORK

C. W. Smitheman, Camden Fire, said that getting agents to work is a problem comparable to the one now before the nation in getting the unemployed to work. The first step, he said, in the program that he worked out is to arouse initial enthusiasm. This can be done by exciting curiosity with a teaser mailing or with a dramatic mailing. This initial interest is piqued by announcement in the house organ. He believes in some sort of a house organ. It is to the leaders, he said that a company must appeal in all of its advertising. Working on the leaders the Camden Fire keeps them well informed with bulletins and letters, designed not only to tell them to make use of the material which

they requested but urged them to promptly report results. These results are publicized in the house organ so that other agents may become interested.

He said that the Camden Fire has been able to line up about 20 percent of its agents for use of its direct mail campaign. Promptly segregated, he said, that of the 20 percent who agree to work about half will drop by the wayside, a quarter will do the work in a half hearted fashion and the remaining quarter will come through with flying colors and get a lot of business. It is a grave question as to whether or not the company gains anything through this sort of advertising. He said that the profit on the traceable business would not be enough to pay the printing cost to any extent. However, a company gains in good will and agency cooperation. In this respect the Camden Fire, he said, has gained more than enough to cover all the expenditure it has made. The agents, he said, are impressed with a company which is doing something for them.

BUGLI AND TAYLOR

R. W. Bugli, advertising manager London Assurance, outlined a seven point program designed to project the benefits of a sustained advertising program. He said that the average agent is still unaware of what advertising can do to help any agency of any size anywhere. He emphasized the need for dramatizing notable advertising success stories as an incentive to better promotional activity on part of agents. He also emphasized the need for some rock bottom research on the comparative effectiveness of various local agency advertising activities. He said that so far companies do not know the real truth about effectiveness as correlated with cost.

H. E. Taylor, American of Newark, said that the successful agent procures his clients through personal friendship or superior ability. Merely keeping one's name before the public however extensively done, never made a success of any local agent, he averred. The agent with personal following would do an even bigger business if he improved his insurance knowledge and then advertised his qualifications, Mr. Taylor asserted. The agent who is now spending all his funds for "name advertising" could more profitably employ a portion of it in acquiring a more competent personnel. There is good advertising and worthless, he said. Many persons believe that all advertising is good. He urged companies to advertise with a specific objective. Distributing 1,000 blotters with the imprint of an agent will probably not produce a single policy, Mr. Taylor stated, whereas 100 copies of an interesting message to real prospects will invariably produce some business. "Tell the public why they should do business with you," Mr. Taylor said. "If there is no real reason don't advertise. Advertising won't make up for the deficiencies of a business. Qualify yourself in some way and then advertise."

USE OF CAMERA

Jarvis Woolverton Mason, National of Hartford, spoke about the use of a camera in the advertising department. Pictures, he said, are becoming more and more used by alert and successful advertisers. Any news story involving a personality calls for a picture of the man involved. News stories about anniversaries, of the employment and promotion of department heads and officers should be accompanied, he said, with an intimate, if not candid, photograph of the man on the job. In house organs one of the perennial subjects is window display. Smart displays in agents' windows should be photographed. Mr. Mason said that he stopped whenever he saw a burned or burning building and made a picture of it. He has used these many times in

mail advertising. The advertising men themselves should be experts with the camera, he said.

USE OF RADIO

John Ashmead, Phoenix of Hartford, in speaking of radio technique said that people nowadays are swayed more by the spoken word than ever. The peculiarity of radio advertising is that only a small part of the time allotted can be devoted to the commercial part of the program. Radio demands action words, he said. Verbs and adverbs take the place of adjectives. He said that the selection of media in which to broadcast an advertising message follows the same sane reasoning used in the selection of radio stations. Mr. Ashmead does not believe anyone can hope to write successful advertising for radio use without first having required some practical experience. The insurance business, he averred, has developed largely because its advantages were told by one person to another. Word of mouth advertising it is called. It was a leisurely process and as a result the business grew leisurely. Times now are different, he opined. He said, "We live in a faster world. Insurance production methods are changing rapidly. Nevertheless, the sound principles underlying insurance and the word of mouth advertising that helps it grow remain the same. The difference is in the tempo. "Radio provides for word of mouth advertising, an outlet in tune with the times."

EYES ATTORNEY'S FEES PROVISION IN ILLINOIS CODE

Attorney Samuel Levin of Chicago gave a discussion of attorney's fees allowed under the Illinois insurance code in case of vexatious refusal to pay loss, at a meeting of the Adjusters Association of Chicago.

Based upon the provisions of the code and interpretation of similar statutes in other states by the courts, Mr. Levin concluded that these attorney's fees would not be allowed in the event a claimant made recovery but had made no demand prior to the commencement of the suit, even though the refusal to pay should be vexatious. Neither would they be allowed where there had been a demand by the claimant prior to commencement of the action and it reasonably appeared to the insurer that it had a defense under the policy under the general laws, or that there was no liability under some proviso or exception in the policy; or that there

was a failure to comply with or a violation of some policy provision under which the company was excused from liability; or there is an honest difference of opinion as to the amount payable under the policy.

Mr. Levin expressed the belief that the code provision will rarely if ever come into play in connection with litigation conducted by reputable, stock fire and casualty companies.

RECEIVER FOR ATLAS INDUSTRIAL

The Atlas Industrial Fire of Columbia, S. C., has been put in the hands of Sarah Glymph, receiver, by Richland

County Judge Bellinger of that city. An affidavit on file signed by President Hugh A. Williford stated the company admitted insolvency and consented to the receivership order. The action was brought by Edna P. McLaughlin individually and representing all creditors. The Atlas Industrial was chartered in South Carolina last year, starting in October with \$10,000 capital and \$15,000 contributed surplus to write household furniture risks on weekly premium plan.

The Transportation of Chicago, running mate of the Continental Casualty, has been licensed in Oregon.

FIRE ASSOCIATION OF PHILADELPHIA

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a third of a century

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EDITORIAL COMMENT

Debarring Irresponsibles from Mails

COMMISSIONER PEW of Iowa, in a recent address, stated that his department and those of other states that had cooperated with the federal postal authorities in investigating and running down unsavory insurance schemes which were running amuck over the country unlicensed, had been successful in getting them debarred from the mails. One of the most vexing problems before insurance commissioners is the irresponsible, unlicensed company, one that defies the

department by claiming to have a heaven born right to operate where it desires. Most of these outfits have a very strong odor. They are seeking prey which they can devour. Seemingly the most effective manner in dealing with them is through the postoffice department and as Commissioner Pew pointed out, those officials that have cooperated with the postal authorities have been successful in putting some of these concerns out of business.

Forcing Companies to Friendly States

THE attempt of states or municipalities to squeeze more and more revenue out of insurance companies will undoubtedly have anything but a benign effect. For instance New Jersey has hoisted taxes on insurance companies to a point where NEW JERSEY FIRE has discarded its New Jersey habitats and has clothed itself under the more

friendly supervision of New York. Not long ago Philadelphia threatened to tax the mutual life companies to such an extent that they all threatened to move to some other state. There is a limit beyond which forbearance ceases to be a virtue. The tax situation has just about reached the saturation point.

Surety Men Endorse Current Projects

SURETY producers are not always, as individuals, in sympathy with the purpose of projects, for which they write contract bonds, even though the expenditure makes the surety turnstile turn. Frequently they will give a cluck of disapproval, as they sign such bonds, feeling that public money is going for projects of questionable value. However, there is surprising unanimity of opinion among surety men these days as to the desirability of the many dam construction projects that are just getting under way. They feel that dams costing from \$1,500,000 to \$6,000,000 or \$7,000,000 intended primarily for impounding waters

in the interest of flood control and soil conservation are decidedly worth while. They look with much more favor upon such construction than upon the huge dam projects that are experimental in nature and constitute major public issues. If a surety underwriter who is disposed to be extremely realistic, puts his seal of approval on a public project, that is a good endorsement. He likes his contract bond premium, no matter what the nature of the project, but if the undertaking itself meets with his approval, he gets some additional personal satisfaction from the transaction.

Mighty Army of Insurance Workers

TAKING together the insurance men of the country as one body, we challenge any other occupation to show that it is contributing so greatly to the good of mankind. Insurance in its various ramifications is protecting life, property and services, making therefore, living much

more secure and contributing greatly to the welfare of all. In all branches of insurance constructive work is being done. When an insurance policy goes into effect it means greater security for the holder, no matter what the coverage may be.

Exposure of Small Merchants

THE average small merchant does not respond very readily to the suggestion that he carry public liability insurance and yet AETNA CASUALTY'S Cleveland office cites two cases to show to what extent the storekeepers are exposed. CARRY EWING of AKRON, O., brought suit for \$20,000 against the proprietor of a small grocery store and her husband also brought suit for \$5,000 for loss of his wife's services. MRS. EWING stated that

as she was leaving the grocery store her left foot stepped on a string bean throwing her violently to the pavement, breaking her leg in two places, causing her to be in a hospital for six weeks and necessitating the use of her crutches for five months. She says that there is every indication that she has been permanently injured.

A small merchant may carry a policy with small limits. A jury or court may

award damages above the limits. Therefore it is incumbent on the storekeeper to carry a sufficient sum to protect him under all consideration.

The other suit is a peculiar one brought in CLEVELAND where the claimant went into a haberdashery store to purchase a shirt. He picked one up and his right middle finger came in contact with the price ticket pin which had prongs extending upwards. The finger was in-

jured, infection developed, necessitating medical treatment, loss of time, etc. Damages of \$7,500 were asked. Public liability coverage certainly should be an indispensable line for any merchant. It is more valuable in many respects than fire insurance. If he has a total loss he knows what he will lose in case of a fire. In case of an accident and a serious one his loss is undeterminable and may be much greater.

PERSONAL SIDE OF BUSINESS

F. B. Warner, local agent at Wausau, Wis., for many years before his retirement due to failing health five years ago, and his wife celebrated their golden wedding anniversary there. Despite his 75 years, Mr. Warner is again in good health.

R. R. Chapman, vice-president of the Corroon & Reynolds companies, is on a trip to far western territory and will visit Denver, Cheyenne, Wyo., and wind up at the annual convention of the National Association of Insurance Agents at St. Paul.

Ralph M. Thayer, independent adjuster, who operated under the name Thayer—Adjustments in Cleveland, died suddenly. He received his early training in the office of his brother, E. A. Thayer, owner of Thayer's Underwriters Survey Co. of Cleveland. In later years he branched out for himself, and gathered a clientele of insurance companies.

News of the marriage last July of **Thomas Watters, Jr.**, of the Washington, D. C., law firm of Lyons, Cohen, Watters & Baldridge, and special counsel of the Underwriters Social Security Service of the National Board of Fire Underwriters, to Marie Louise Schloss of Des Moines, only recently became generally known. Following graduation from the University of Chicago, Mr. Watters completed his legal training at the law school of Drake University, engaging in general practice in Des Moines soon thereafter. The couple will make their home in New York City.

John Fischer, manager of the Newark office of the Great American, died last week at the age of 82. He was born in Newark, Nov. 7, 1856, starting his insurance career in the office of Herman Beck of that city. He was connected with the old Germania Fire of Newark from 1874 to 1885. He was its secretary when it was reinsured in the Great American and has been with that company ever since.

T. J. Armstrong, former South Carolina special agent of the Southeastern Underwriters Association, died at the home of his brother, John L. Armstrong, Augusta, Ga., local agent.

John D. Garmire, long established and prominent independent adjuster of Omaha, died the other day in a hospital in his city where he had been confined about a week. He was 77 years of age. He was born in Mt. Vernon, O. While operating a lumber and hardware business in Hebron, Neb., he handled loss adjustments on a part time basis. Later

he joined Trans-Mississippi Mutual Fire as field man and adjuster. Within a few years he devoted himself exclusively to the work of adjusting losses on an independent basis. In December, 1930, when Western Adjustment withdrew its service from non-stock companies, Mr. Garmire aligned himself definitely with the stock company organizations.

He established his adjusting office in offices in other Nebraska towns. The business will be carried on by the men who have been associated with him for the past few years. He was a charter member of the Nebraska Blue Goose.

Mrs. Ray Kirk of Muskogee, Okla., who was seriously injured in a recent automobile accident, has been taken to her home. Although showing improvement, she is still reported in a very serious condition. She is the wife of Ray Kirk, credit manager of the Moffatt-Duncan-Nichols agency of Muskogee.

W. W. Regier, veteran Newton, Kan., local agent, died there following a sudden illness. The agency had represented some of its companies over 40 years.

T. E. Welch of the Wheeler-Kelly-Hagny Agency, Wichita, Kan., and his family were driven out of their apartment in the early hours of Labor Day by a fire that burned off the wood shingle roof.

President **A. F. Pillet** of the Republic of Texas and his son John have returned to Dallas after a trip through England, France, Switzerland and Germany.

Frank Burns, Seattle general agent, is president of the \$250,000,000 Pacific Northwest Centennial Exposition to be held in Seattle in 1941.

J. N. Jacobs, Virginia state agent of the Commercial Union, returned this week from a trip abroad. Accompanied by Mrs. Jacobs, he visited Germany as well as England and France. In Berlin they were the guests of Maj. P. G. Black, assistant military attaché to the American embassy, a kinsman of Mrs. Jacobs.

Briggs A. Hoffmann, vice-president and sales manager Lawton-Byrne & Bruner agency, St. Louis, has returned from a European trip. Mr. Hoffmann was accompanied by Thomas L. Farrington, a vice-president of the agency.

F. S. Birthwhistle, 73, for 16 years an inspector for the New Hampshire Board of Fire Underwriters, and a pioneer electrical engineer of international repute, died at his home in Concord, N. H.

THE NATIONAL UNDERWRITER

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO. Wabash 2704. PUBLISHED EVERY THURSDAY

EDITORIAL DEPT.: C. M. Cartwright, Managing Editor. Levering Cartwright, Ass't. Man. Editor. News Editors: F. A. Post, C. D. Spencer. Associate Editors: D. R. Schilling, J. C. O'Connor.

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NEW YORK OFFICE—123 William St., Tel. Beckman 3-3558. Editorial Dept.—G. A. Watson and R. B. Mitchell, Assoc. Eds. Business Dept.—N. V. Paul, Vice-Pres.; J. T. Curtin, Resident Manager.

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BOSTON OFFICE—Room 522, 25 Huntington Ave. Telephone KENmore 5237. R. E. Richman, V. P.

Single Copies, 20 cents. In Combination with Life Insurance \$1.00 a year in United States and Canada. Edition, \$5.50 a year. Entered as Second-class Matter April 25, 1931, at Post Office at Chicago, Ill., Under Act, March 3, 1879.

PHILADELPHIA OFFICE—1127-123 S. Broad Street. Telephone Pennypacker 3706. W. J. Smyth, Res. Mgr.

SAN FRANCISCO OFFICE—507-8-9 Flatiron Bldg., Tel. EXbrook 3054. F. W. Bland, Res. Mgr.; Miss A. V. Bowyer, Pacific Coast Editor.

Subscription Price \$4.00 a year in United States and Canada. Edition, \$5.50 a year. Entered as Second-class Matter April 25, 1931, at Post Office at Chicago, Ill., Under Act, March 3, 1879.

TRENDS and VIEWS

Turns in Wheel of Fate Holmes Ends Interesting Career Future of Hail Business

There are odd and uncertain turns in the wheel of fate. A few years ago the Fireman's Fund, largely through the instrumentality of First Vice-president E. T. Cairns, had a most admirable setup for its three departments. He had taken great pride in the culmination of a definite program to have as manager of each of these branches a young man, able, resourceful, and sagacious. In the eastern department at Boston he had C. C. Hannah. In the western department at Chicago, S. M. Buck was the head. The southern department had as its manager C. A. Bickerstaff. Now there is a complete change in management. First came the lamentable death of Mr. Bickerstaff, one Fourth of July when he was killed by a stroke of lightning on the golf course. Next came the turn whereby Mr. Buck became vice-president and western manager of the Great American. Now Mr. Hannah is taken to the head office.

Fortunately the Fireman's Fund has had men coming up the line who step into the places of these three men. Mr. Cairns himself, going from the North British to the Fireman's Fund, reconstructed and revamped the declining department at Boston, reinvigorated, breathed into it new life and started it on a new era. Mr. Cairns was assistant manager of the North British & Mercantile and vice-president of its affiliated companies. He joined the Fireman's Fund as manager at Boston in 1922. He became well acquainted while in the North British office with Mr. Hannah who was a general agent at the United States office having been called there from the western New England field which he served for eight years. When Mr. Cairns took his position at Boston in 1922 he induced Mr. Hannah to join him at once as assistant manager. Mr. Cairns was elected vice-president and went to the home office in 1928, and naturally Mr. Hannah succeeded him at Boston. The two men did a magnificent piece of work. They all along have been friendly in their personal as well as business relationships.

When it was announced that Mr. Hannah had been selected second vice-president it was a foregone conclusion that in due season he would be called to the home office to assume wide executive duties and gradually work up to higher brackets. The Fireman's Fund has appreciated the necessity of man-power and a few years ago secured Raymond L. Ellis of San Francisco, a member of the general agency firm of Rolph, Landis & Ellis, to become assistant secretary. Immediately Mr. Ellis, a very enterprising and ingenious man, began to popularize the Fireman's Fund in various ways. He has appeared at a number of conventions. He knows the business and presents his thoughts vividly and impressively. He is now assistant vice-president. George E. Townsend, one of the vice-presidents, is a very able fire underwriter while B. G. Wills is the casualty and automobile executive. Lee S. Gregory, another vice-president, is a fire underwriter. He is on the sunny side of 50 and is just in his prime.

Mr. Hannah is aggressive in his business policy. He is sales-minded and he usually obtains what he goes after. He has a colorful and very likable personality. He understands the fine gift of getting along with people with whom he is associated. His judgment is regarded as sound and as he goes along, his speech is rather golden.

Assistant Manager James F. Crafts, who succeeds Mr. Hannah as manager, bears an excellent record as a young man in the executive ranks. He started his insurance experience with the home office of the Queen in 1916, in the brokerage and reinsurance division. He

became special agent two years later in New Jersey. He was sent to western New York state, remaining until 1929 when he was recalled to the home office as assistant secretary. He has had particular experience with general cover and special lines. He became assistant manager of the Fireman's Fund eastern department in 1930 and in cooperation with Manager Hannah has developed rapidly. He has demonstrated his ability as an administrative executive.

A rather unusual appointment as assistant manager is W. E. Gildersleeve, Jr., who is in charge of the New York City and metropolitan department office of the Fireman's Fund group. It is not often that a man in that position is called to general executive duties in home office or departmental work. However, he has had plenty of experience in that direction. He has been in charge at New York since 1931. He started with the old Germania Fire at its head office in New York and went with the Great American in 1918. He was sent to Rochester to take charge of the Rochester American which had been acquired by the Great American. From there he was shifted to New England and later to New York state by the Great American. He went with the Star, one of the L. & L. & G. group, acting as state agent at New York before going to the head office as agency superintendent. He became subsequently assistant metropolitan manager of the Liverpool & London & Globe.

It will thus be seen that the Fireman's Fund will have an entire new setup in its departments. R. W. Michael at Atlanta was one of the assistant managers there and succeeded Mr. Bickerstaff. E. D. Lawson, who was the marine manager in the central west, succeeded Mr. Buck at Chicago and now Mr. Crafts takes charge of Boston. The three managers are young men, aggressive and well trained.

* * *

The death of Frank F. Holmes, veteran local agent in Chicago last week at Galesburg, Ill., where he had been taken in June after having been in St. Joseph's Hospital in Chicago for many weeks, removes the oldest class 1 member of the Chicago Board, a man who for many years was a prominent figure in the Chicago insurance district. His father, S. R. Holmes, was a local agent at Warsaw, Ill. Therefore Frank F. was born in the insurance business. When S. R. Holmes entered war service as provost marshal, Charles H. Case, who was his brother-in-law and located at Warsaw, took charge of the Holmes agency there. Mr. Holmes later moved to Chicago becoming adjuster for the Springfield Fire & Marine. Subsequently he was compact manager at Clinton, Ia., and then at Burlington, Ia.

Mr. Case became an adjuster for the North America and moved to Chicago just before the big fire in 1871, establishing an agency with the Royal and North America. He was western manager of the Royal for many years. These two companies paid all their Chicago losses in full. Frank Holmes became special agent of the North America and later established a local agency in Chicago representing the Ohio Farmers. E. M. Condit was manager of the Ohio Farmers.

In the Holmes family was S. Perry Holmes for a long time one of the chief examiners in the western department of the Continental who now resides at Galesburg with his sister, Miss Jessie Holmes. Fred H. Holmes, who was formerly head of the Holmes & Chase agency at Galesburg and who lives at San Jose, Cal., with his daughter, and the late Norman V. Holmes, who was connected with the fire department in Chicago then was chief of the department in Evanston and then head of the fire department for Sears, Roebuck & Co., were the other brothers.

Frank Holmes caused great dismay some years ago when he made a bid for the Cook county insurance securing binders from a number of companies for even more than the full line. His bid was lower than the others. The members of the Chicago Board and

other companies not on the binder immediately started to use their influence which resulted in some of the Holmes' binding companies canceling their authorization. Mr. Holmes employed a lawyer and brought conspiracy proceedings against the Chicago Board. He invoked an Illinois statute which evidently convinced the officials of the board they might get into trouble. A compromise was reached and the suit was withdrawn.

When R. S. Brennan of Denver retired as secretary of the National Association of Insurance Agents Mr. Holmes was elected secretary in 1898, serving until 1904. It was during his time that a rate war started at Topeka, Kan., which threatened to destroy the agents' business. The National association was a rather weak proposition at that time but Mr. Holmes journeyed to Topeka and as an official of the organization began working among the local agents, resulting in the companies calling off the rate war.

* * *

Hail insurance men are anxiously seeking to apprehend these days what the effect of the Federal Crop Insurance Corporation's activities in the insurance of wheat will have on the business of the private companies next year. Discussions of this topic will continue throughout the winter and then a decision must be made whether the hail writing companies next year will make an investment in a spirited bid for hail business or whether they will sit by and take what comes, without risking the big expense that might prove fruitless. One of the leaders in the business recalls that a good many years ago the state of North Dakota went into the crop insurance business and the hail writing companies decided to compete in an aggressive way. A special drive was made in that state, but the results were pitifully small.

Some in the business believe that the hail business is largely dependent on conditions, such as prices, weather and

psychology of the farmers and that not much can be done to overcome a bad combination of circumstances. Others, however, are in a more aggressive frame of mind and believe that the hail companies next season should go after the business enthusiastically. They feel that there is an opportunity for the hail companies to sell insurance to supplement the federal coverage that the farmer buys and that the farmers generally will be insurance conscious.

This week the Federal Crop Insurance Corporation released a statement as to the number of applications for crop insurance that have been received from the winter wheat states. These figures are published in *The National Underwriter* elsewhere. That release gives merely the number of applications for insurance received up to the Aug. 31 deadline from the winter wheat states. Until the premium is actually paid, it will not be known how many policies will actually be issued. The release does not tell what the total liability is under the applications that have been filed nor what the total premium amounts to. As soon as any figures on liability and premiums are available, the hail insurance men will then have a much better basis upon which to guess what the effect upon the hail insurance business will be. They know what the hail insurance premiums from the various states have been and they will compare those figures with the premiums developed under the federal plan. If the federal premiums are considerably less than what the hail writing companies have been getting, that will be encouraging, but if the reverse is true, the prospect will not be regarded as bright.

Some of the hail insurance writers regret that federal crop insurance was not made immediately effective in respect of corn and other crops as well as wheat. If that had been done, the story, they say, would have been known in a year or two or three. Federal crop insurance would definitely have been a success or failure in short order.

Are You Getting New Business?

If not ... YOU CAN, by using the survey service of our Fieldmen

Hundreds of surveys in our files prove that insurance analysis is the modern way to retain business on your books and impress the Prospective Customer.

LET US SHOW YOU A SAMPLE SURVEY

New York Underwriters Insurance Company

Ninety John Street

New York



Bob's Business is Still Sound

Thanks to a friendly word from YOU...

CASUALLY in Bob's office one day you said—"Bob, you have to carry securities in your safe. You should have Burglary coverage." He replied: "We have a fine modern vault—but maybe—"

Later you had the opportunity to return to Bob the value of a block of securities which safe-crackers had taken. You handed him a U. S. F. & G. check. Bob's financial statement shows a prosperous balance—a balance which would have been decidedly less except for a friendly word from you.

It's strange how little the average man knows about burglary insurance—how strong a faith he places in walls of steel which can be broken through by cracksmen. Yet this lack of knowl-

edge makes it your duty to advise your friends about a stronger and more reliable form of protection—Burglary Insurance.

Here at the U. S. F. & G. we rely on you to advise your prospects and policy-holders about fidelity, casualty and surety coverages. To help you do this, we support your efforts with a record for prompt and fair settlement of claims.

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UNITED STATES FIDELITY AND GUARANTY COMPANY
with which is affiliated

FIDELITY & GUARANTY FIRE CORPORATION

HOME OFFICES: BALTIMORE

"Consult your Agent or Broker as you would your Doctor or Lawyer."

B. C. Hopkins Is New Iowa President

Debate Local Board Handling of Public Lines

Robert Evans Provokes Discussion of Cooperative Solicitation of Business

An interesting, informal debate was carried on at the meeting of the Iowa Association of Insurance Agents in Sioux City on the question of the desirability of local board handling of public business.

A. M. Davis, president of the Sioux City board, made a scheduled talk, pointing with pride to the strength of the local board in his city, and ascribing its success largely to the fact that it handles the local public business.

Robert Evans Takes Issue

Robert Evans of Des Moines then took the floor. He is a past president of the Iowa Association of Insurance Agents, but gave up his membership in the association last fall when the association adopted a resolution requiring that an agent in a city that has a local board must also belong to the local board if he belongs to the Iowa state association. Mr. Evans has refused to join the Des Moines board.

At the Sioux City meeting, he condemned the practice of local board handling of public business and indicated that the activity of the Des Moines board in that direction is one of the principal reasons why he will not join. He said that for many years his agency has controlled much of the city business in Des Moines and has placed it in good stock companies. He said that the board, acting as a unit, has been seeking to disturb that business and took some of it away, by offering a mutual company proposition. He said that a local association has no identity as an agent and that if public business is properly handled and insured in a good stock company by an individual agent, it should not be disturbed by a local board. A local association, he declared, has no right to cover its expenses by

(CONTINUED ON PAGE 21)

Many Chores Referred to Incoming Administration

The incoming administration of the Iowa Association of Insurance Agents was handed a number of important chores at the Sioux City meeting through adoption of resolutions and by reference.

C. Arthur Ruhl of Davenport, the retiring president, was full of ideas. One that he presented at the final session seemed to get an enthusiastic reception and was referred to the new administration. It is that the space in policies now devoted to lists of officers, directors, etc., be utilized for the printing of a message concerning stock company and agency service. Mr. Ruhl said he has taken this up with several leaders in the business. America Fore, he said, has actually prepared a message and was ready to use it on their policies in Iowa, but Mr. Ruhl asked them to hold back. He expressed the belief that the stock companies should adopt some uniform message.

Mr. Ruhl said that he had discussed the matter with C. F. Thomas, manager Western Underwriters Association, who wanted to know if the printing of such a message on the policy would violate the insurance statutes. Mr. Ruhl said that on the way to Sioux City he discussed the matter with Commissioner Pew of Iowa who seemed to feel that the message could be used. He suggested that a message be prepared and submitted to him for approval. Mr. Ruhl said that the idea has been endorsed by F. S. Dauwalter, director Business Development Office. He pointed out that policies that are now in existence could not be destroyed and until the present supply is consumed, stickers could be used.

Coverage on Shrubbery

Mr. Ruhl also requested the incoming administration to take up with companies the idea of providing coverage on shrubbery against hail and wind.

The resolutions committee adopted another suggestion of Mr. Ruhl's, that the companies be memorialized to modify the electrical exemption clause on dwellings and contents so as to provide coverage against damage from natural as distinguished from artificial causes.

Another resolution that was adopted favored installment payment of the term premium.

The legislative committee was instructed to either sponsor legislation or to seek to get a ruling from the Iowa department providing for payment of countersignature commissions to Iowa agents on Iowa properties and operations.

Preservation of Agencies

Action taken by the executive committee last January was approved, by resolution. The association hereafter will appoint a committee of three upon the death of a member to assist in the preservation or sale of an agency. Under the resolution, members are committed to refrain from extraordinary solicitation of the business of deceased members.

Herman C. Miller of Waterloo presented a "resolution of necessity" that was adopted. Under this resolution, the new administration is instructed to protest the further indiscriminate authorization of applicants for agency license and to request that no license be issued to any applicant until there shall have been filed with the commissioner a written application with affidavit attached setting forth such information as will enable the commissioner to determine if the applicant possesses the necessary qualifications. The qualification affidavits, according to the resolution, should be made a part of the permanent records in the department. The present method of issuing agents' licenses to companies for distribution to their new agents should be discontinued and all licenses should be issued from the commissioner's office only upon application by the company, accompanied by the necessary qualification affidavit of the agent to be appointed.

Farm Mutual Opposition

Mr. Miller in presenting the resolution, pointed out that the agents in Iowa have tried unsuccessfully to secure an agents qualification law but their efforts have been nullified because of the political power of the farm mutuals. About four years ago, the commissioner acted favorably on the proposition that a qualification affidavit be submitted to the department. These affidavits were sent to agents by the companies and if such a file was ever maintained in the department

(CONTINUED ON PAGE 21)

Association Shows Vitality in Annual Meeting

Stimulating Program Was Run Off, and Constructive Undertakings Launched

NEW OFFICERS ELECTED

President—B. C. Hopkins, Des Moines.

Vice-president—H. C. Brown, Mason City.

Secretary—John S. Cutter, Shenandoah.

National councillor—R. W. Forshay, Anita.

New members executive committee—C. Arthur Ruhl, Davenport, chairman; Ludwig Rubek, Cedar Rapids; Lyle Jefferies, Clinton; C. A. Cady, Burlington.

By LEVERING CARTWRIGHT

The annual meeting of the Iowa Association of Insurance Agents in Sioux City was a heartening affair. An excellent program was run off, a number of constructive undertakings were embarked upon and there was some healthy controversy to enliven the proceedings.

The attendance totaled 212, with local agents numbering 74.

Evidence of the merit of the program and the interest displayed was the fact that every seat in the meeting room was filled through the first day's proceedings, despite the fact that it was a sweltering day, with mercury reaching 96 degrees. C. Arthur Ruhl of Davenport, the retiring president, was in good trim as a presiding officer and kept the machinery moving in high gear.

The new executive committee selected Mason City as the place for next year's meeting. The new vice-president is H. C. Brown, mayor of Mason City. An invitation was submitted by Marshalltown as well.

The outstanding hit of the convention was the talk by C. H. Smith of Smith & Wheeler, Chicago, western managers of Hartford Fire, on use and occupancy. It was a masterful presentation. It was



B. C. HOPKINS, Des Moines
New President



C. ARTHUR RUHL, Davenport
Retiring President



H. C. BROWN, Mason City
New Vice-President



R. W. FORSHAY, Anita
National Councillor

calculated to inspire confidence in agents, especially from smaller places, to make a sales effort in behalf of U. & O. and it actually seemed to cause many of his listeners to take a hitch in their belts, so to speak, and make up their minds to go after the business.

Commissioner Pew of Iowa was followed attentively as he took the agents behind the scenes and gave them an account of the company examination issue as it confronts the National Association of Insurance Commissioners. F. S. Dauwalter, director Business Development Office, as usual, was a sure fire program attraction and he competed most successfully with the Iowa corn weather.

Miner Shaw of Sioux Falls, S. D., went to Sioux City at the instance of the agents of that place to tell what had been done in South Dakota through legislation to protect resident agents on South Dakota business. Sentiment was stirred at the Sioux City meeting in favor of getting a resident agents law in Iowa.

Message From Crosby

James M. Crosby, Jr., of Grand Rapids, Mich., chairman of the membership committee of the National Association of Insurance Agents, gave an inspiring message on the value of the organization. Frank O'Brien, secretary Fidelity & Casualty, tied together an assortment of selling ideas, and his talk was well received.

Much satisfaction was expressed that B. C. Hopkins of Des Moines accepted the presidency. He is a substantial man and he will carry forward the work in an influential way. He is president of the Hopkins & Mulock agency of Des Moines. E. H. Mulock of that agency is president of Central Life of Des Moines. The agency traces its beginnings to 1865. Mr. Hopkins has been with the agency more than 30 years. Just the other day his son, W. V. Hopkins, who had been with Hartford Fire in the western department, joined the agency.

B. B. Hickenlooper, attorney of Cedar

Rapids, who is a candidate for lieutenant governor on the Republican ticket, was the banquet speaker. President Ruhl served as toastmaster. At one table were seated the members of the Women's Insurance Association of Sioux City, composed of women employees in the agencies. This group was introduced. Those at the head table included these past presidents: John Hynes, Cedar Rapids; Robert Evans, Des Moines; J. R. Vaughan, Waterloo; S. T. Morrison, Iowa City; C. E. Ford, Des Moines; Painter Knox, Council Bluffs; R. W. Forshay, Anita; H. P. Pratt, Sioux City.

Des Moines Wins Cup

The attendance cup was presented to Des Moines. This trophy goes each year to the local board that has the largest number of points, measured by the number in attendance times the mileage to the convention city. Such a cup was originally presented by Sioux City. It went into the permanent possession of Council Bluffs and now Council Bluffs has presented a successor cup.

Nominating—H. P. Pratt, Sioux City, chairman; John Hynes, Davenport; S. T. Morrison, Iowa City.

Resolutions—R. E. Finlayson, Mason City, chairman; Ludwig Rubek, Cedar Rapids; Frank Hendricks, Council Bluffs.

Auditing—Ralph McCauley, Atlantic; L. A. Jester, Des Moines; J. J. Ellerbrock, Sidney.

J. R. Vaughan, Waterloo, a past president, conducted a memorial service for the past presidents who died during the year, they being William Weir, Davenport; Fred W. Colvin, Sioux City; Lew Benedict, Cedar Rapids; H. P. Guiney, Sioux City.

Secretary John S. Cutter of Shenandoah made his report.

Charles H. Smith of Smith &

Wheeler, western managers Hartford Fire, delivered his address, "U. & O. as a Premium Builder."

A. M. Davis of Sioux City conducted a discussion, "How a Local Board Can Render Service on Public Business." There followed a spirited discussion, with Robert Evans of Des Moines taking issue with advocates of local board handling of public business.

Miner Shaw Gives Talk

Harry P. Pratt of Sioux City led off the afternoon session with a discussion of the matter of commissions on Iowa business controlled by foreign agents and brokers. He introduced Miner Shaw of Sioux Falls, S. D., a leader in his state, who contended that the problem preferably should be solved by the companies and agents rather than by going to law. Insurance, he declared, is an over governed business. He said several leading agents of South Dakota had a meeting in his office a week ago to determine whether casualty and fire company executives might not settle the matter in conference with state officials. Years ago, he declared, agents willingly signed policies for companies, on the theory that if this were not done the company would lose the line. In the last eight years, however, local establishments have gotten into the hands of foreign interests to a greater extent. That trend has induced agents to "go to law" to protect themselves. Local agents should service the local end of lines even though they get no countersignature commission. Twenty-four agents of South Dakota framed legislation. A mimeographed copy of the law was sent to all agents. At the first attempt, the mutuals caused defeat of the measure. The next time, the agents told the mutuals the intention of the local people and the law was enacted. However, the agents are not always getting countersignatures. Recently, he said, suit was commenced against Seaboard Surety for violation of the law. He expressed the hope that company executives and agents could agree upon a reasonable

countersignature commission. The South Dakota law does not specify the amount of countersignature commission to be paid. The agents should be honest, they should not be greedy; the countersigning agent is not entitled to the full commission that the producing agent receives. Every state should have a resident agents law, he asserted.

C. E. Ford, Des Moines, said there is no ruling in Iowa on what constitutes a resident agent.

Paul Howe of Sioux City gave a review of the Wisconsin resident agents law and the new law in Louisiana.

John Hynes of Davenport said he favors enactment of a countersignature law. He asked Mr. Shaw whether the South Dakota agents are receiving commissions on chain store business. Mr. Shaw said such commissions are not paid but he expressed the hope that this would be brought about.

B. C. Hopkins of Des Moines suggested that a resolution be adopted.

One of the agents from Council Bluffs said in his city much business is controlled by salaried employees of insurance companies in Omaha.

Main Street Occupancies

Mr. Ruhl said 75 percent of the occupancies of any main street are chain stores and the local agents should get a commission.

Commissioner Pew of Iowa delivered an address on company examinations.

F. S. Dauwalter, director Business Development Office, held his audience closely with an address, "Sound Indemnity with Dividends in Reliable Service."

Frank O'Brien, secretary Fidelity & Casualty, in his address stressed the importance of an agent deliberately making new contacts. Many agency troubles, he declared, are attributable to the fact that the agent did not extend his circle.

Mr. McCauley reported as chairman of the auditing committee.

Opening the second day's session Mr.

INTER-OCEAN REINSURANCE COMPANY

HOME OFFICE: CEDAR RAPIDS, IOWA

CONDITION JUNE 30, 1938

ASSETS

Cash in banks.....	\$ 563,131.29
United States Government bonds (amortized value June 30).....	2,572,051.03
All other bonds (amortized value June 30).....	591,495.49
Stocks (market value June 30).....	1,037,066.25
First mortgage loans.....	103,500.00
Home office building.....	93,372.74
All other real estate.....	136,450.00
Collateral loans.....	24,254.46
Accrued interest.....	24,358.83
Premiums in course of collection (not over 90 days).....	398,347.58
Admitted assets.....	\$5,544,027.67

LIABILITIES

Unearned premiums.....	\$3,187,588.02
Reserve for losses.....	269,546.46
Reserve for taxes.....	52,824.90
All other liabilities.....	58,892.99
Capital.....	\$ 500,000.00
Surplus.....	1,475,175.30
Treatyholders' surplus.....	1,975,175.30
	\$5,544,027.67

Note: On basis of June 30, 1938, market quotations for all stocks and bonds owned, the total admitted assets would be increased to \$5,636,551.23 and the net surplus to \$1,567,698.86.

REINSURANCE—FIRE AND ALLIED LINES

New York
90 John Street

San Francisco
114 Sansome St.

Los Angeles
215 West 7th St.

Ruhl announced that registration was 213, local agents numbering 74.

Herman Miller of Waterloo was given the floor to present a "Resolution of Necessity."

James M. Crosby, Jr., of Grand Rapids, Mich., chairman membership committee of National Association of Insurance Agents, gave an address. For the first time in its history, the National association membership exceeds 15,000 agencies, he said.

Robert Evans of Des Moines inquired whether there is any conflict between the National association and brokers associations. Mr. Crosby said the high grade brokers are cooperating to an increasing extent with the organized agents. Mr. Evans suggested that the brokers and agents might join hands in various undertakings. R. W. Forshay, national councillor, expressed the belief that the problems of the brokers are distinct.

President Ruhl stated that E. L. Stephenson of Chicago, resident vice-president U. S. Casualty, has offered a cup to be given to the company field man who brings into the association the largest number of new members. The executive committee will act upon the proposal, Mr. Ruhl stated.

Mr. Ruhl introduced Leon Morse, president Council Bluffs board, who told about the cup that is offered by Council Bluffs to the local association that has the largest representation at the state meeting.

Harry C. Brown of Mason City reported for the resolutions committee. The work of the Iowa Safety Council and Iowa highway patrol in accident prevention was commended.

The stag party the evening before the convention not only was an enjoyable affair, but served the purpose of getting the conventioners to Sioux City ahead of time. In the past, the first session has been delayed, because many motor to the city that morning. At Sioux City practically every one arrived the evening before and the meeting the next morning was commenced on time.

Debate Local Board Handling of Public Lines

(CONTINUED FROM PAGE 19)

handling municipal business any more than a state association should cover its expenses by writing state highway business, for instance. Mr. Evans said he will not join the Des Moines board because he refuses to accept a committee's decision as to what business he shall receive. Agency organizations, he declared, fall into the category of cooperatives when they jointly solicit governmental business.

Interpretation of C. E. Ford

C. E. Ford of Des Moines, another past president, arose to say that the solicitation of business, to which Mr. Evans referred, was not done by the local board, but by six or seven members of the board serving as a group. Mr. Evans disputed that interpretation of the transaction. Mr. Evans said he condemns the agent who represents both stock and mutual companies. No stock companies should permit themselves to be represented by an agent who has "mutual shingles on his wall," he said.

The Blanchard anti-compact law of Iowa, Mr. Evans contended, should not deter stock companies from insisting upon being represented by agents, who represent exclusively stock fire and casualty companies.

H. P. Pratt of Sioux City took exception to the statement that local boards in handling public business are cooperatives. In so acting, he said, they are prompted by the profit motive and there is a difference between cooperation and cooperative. In Sioux City, he said, the agents get their profits through cooperation.

President Ruhl expressed the belief

that the issue is something that the state association cannot act upon.

Mr. Evans said that he desires to belong to the state association. If the state body requires members to belong to the local board, then the state association should set up certain principles governing the operation of those boards and the local boards should not be permitted to coerce members to join in committee solicitation of public business.

Incidentally, Mr. Evans was in the midst of things during the convention and was just as active as in the old days when he was a member. It is understood he will be appointed chairman of the new legislative committee.

Painter Knox said the local board in Council Bluffs is "the only one that really cooperates," and he introduced Leon Morse, the president of that board. Mr. Morse said that representation in the board is exclusively stock fire and casualty. Des Moines, he suggested, should have a new local board, set up on the stock company principle.

S. T. Morrison, Iowa City, a past president, said he sympathizes with Mr. Evans' attitude. Public business that is handled by an established agent should not be "raided" by the local board, he contended.

Twenty-Three Sioux City Members

Mr. Davis, in his talk, said that there are 23 members in the Sioux City board. Through the efforts of the local board in 1936, the business of the library board was written in stock companies through committees of the local board, against the competition of mutuals. Later that year the local board was allocated 80 percent of the school board coverages, and the business was divided among the member agencies according to size of agency in premium volume, length of time agency has been in business, taxes paid by the individuals in the agency and number of employees in each agency.

In April of this year after lengthy negotiations, the association wrote the city business and the city council allocated 90 percent of it to association members. The business was written on a five year staggered plan under one form, one fire rate, 80 percent coinsurance with extended coverage.

Many Chores Ahead for Iowa Administration

(CONTINUED FROM PAGE 19)

ment's office it has been lost or mislaid. He expressed the belief that the commissioner will cooperate with the agents in securing such a file, insisting that each agent file a qualification affidavit and maintain the file. Later on further concessions may be secured and if the commissioner will look over these qualification affidavits and adopt some sort of measuring stick for use in his office, many agencies that are now licensed will be eliminated. In any event, he said, this is an attempt at getting a form of qualification law, without having a law passed and if it works well, may pave the way for the passage of such a law.

Petree Still with Department

Although F. M. Petree resigned as assistant insurance commissioner of Oklahoma, he has not severed his connection with that department, Commissioner Read announced. Mr. Petree will remain with the department and have charge of all insurance company receivership cases. An Oklahoma statute enacted in 1937 provides that the commissioner shall be receiver for all insolvent insurance companies of Oklahoma and ancillary receiver for all such foreign companies. At present there are two such cases pending, that of Southwest Mutual Casualty of Oklahoma City and the ancillary receivership of the American Life of Detroit.

J. F. Gibson, Oklahoma City attorney, succeeds Mr. Petree as assistant commissioner.

GREETINGS

IOWA AGENTS

"A Friendly Company"

SECURITY FIRE INSURANCE COMPANY

Davenport, Iowa

"Protection Since 1883"

NORTHERN, N. Y.

ARCH J. DOERFLER, State Agent

(Iowa—Nebraska—Missouri)

Box 633, Des Moines, Iowa

L. A. WHITE, STATE AGENT

T. T. KARLOQUIST
325 Insurance Exchange Bldg.
Sioux City

W. W. BOARDMAN
306 Security Bldg.
Cedar Rapids

ROYAL-LIVERPOOL GROUPS

812 Insurance Exchange Bldg.
Des Moines, Iowa

J. A. Slater

H. H. Warner

H. G. Zimmerman

L. E. ELLIS & CO.

Securities Building

GENERAL AGENTS

Des Moines, Iowa

HARTFORD FIRE INSURANCE COMPANY

Citizens Insurance Company Hartford Accident & Indemnity Co.
Hartford Live Stock Insurance Company

Roy S. Ingham H. A. Karr T. R. McDonald
Chas. D. Wherry K. L. Lilja E. T. Smith
401 Old Colony Building W. M. Hanifen—S. T. McInerney Des Moines, Iowa

Compliments of

Grandy-Pratt Co.

Sioux City
Iowa

DEPENDABLE INSURANCE

EVENT

SILVER JUBILEE OF THE NATIONAL SAFETY COUNCIL NATIONAL SAFETY CONGRESS CHICAGO, OCTOBER 10-14

Twenty-five years ago the President of our Corporation and its first Secretary, the late John Woodhead, Safety Engineer, participated in the organization of the National Safety Council.

The original motives of altruism and humanitarianism still animate the Council. It has grown to be the World's greatest clearing house of general Safety. A secondary result of the general safety movement promoted by the Council has been its vast financial saving to industry. Safety more than pays its way.

The Annual National Safety Congress at Chicago October 10 to 14 will commemorate the Silver Anniversary of the Council. Our Corporation will again be one of the hundreds of firms attending and supporting the Congress.

As a Charter Member, we join the Executive Staff of the Council in urging every insurer to send representatives to the Congress, to learn, to teach and to co-operate in the Safety Movement in its every phase.

KANSAS CITY
NEW YORK
CHICAGO
LOS ANGELES
SAN FRANCISCO

**EMPLOYERS
REINSURANCE
CORPORATION**

E. G. TRIMBLE, President
HOWARD FLAGG, Executive Vice President

The NATIONAL UNDERWRITER

September 15, 1938

Page Twenty-three

Massachusetts Bonding Stages Great Celebration

Marks Dedication of New Home Office and Company's 31st Anniversary

BOSTON — The new 14-story home office building of the Massachusetts Bonding, extending an entire block on Water street, with end entrances on Postoffice square and at 65 Kilby street, was formally dedicated this week when nearly 1,000 representatives of the company and specially invited guests, from all parts of the United States, joined in a celebration extending through the first three days of the week. The occasion also marked the company's 31st anniversary.

President T. J. Falvey, who started in the insurance business 40 years ago in a basement office at 85 Water street, which now marks the main entrance to the new home office building, was host throughout the week to the men who have helped him build up the company which he started 31 years ago. His long service as president makes him today the senior chief executive, in point of years of service, of all casualty companies in the United States.

400 Qualify in Contest

Those who participated in this week's activities include about 400 field men who won the right to attend the Boston celebration in a production contest. There were 100 specially invited field executives and 600 home office employees and local guests, including the commissioners of most of the New England states and outstanding casualty executives.

Convention headquarters were at the New Ocean House in Swampscott on the North Shore. With registration Monday morning, each guest was presented a small camera and two rolls of films as part of a plan to secure a photographic record of the convention, the films being developed at the hotel and prizes awarded on the last day for those securing the best snapshots. The souvenir program, which included many interesting features, had album pages for inserting the photographs.

Scenic Trip Taken

Monday afternoon buses were provided for a scenic trip along the north shore to Lynn, past Nahant and Revere beach, through the Sumner tunnel, and past historic spots in Boston, to the new home office building on Water street. Here President Falvey and his home office associates gave the visitors their first formal greeting followed by an inspection of the building. Returning to Swampscott, the party went to President Falvey's residence, White Court, at Little's Point, the former summer home of President Coolidge, where tea was served on the lawn overlooking the bay.

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CASUALTY AND SURETY SECTION

Massachusetts Bonding and President T. J. Falvey

By RALPH E. RICHMAN

BOSTON—T. J. Falvey, president of the Massachusetts Bonding, is a genuine unique in the insurance business of the United States. He is the founder and only president of an insurance company which in 31 years has come to occupy a strong and powerful position among the nation's casualty companies. While Mr. Falvey selected and retained the services of many able lieutenants, the Massachusetts Bonding is distinctly a T. J. Falvey institution. Every phase of its growth has had his careful oversight or in most cases, his actual direction.

Honor the Founder

This week agents of the Massachusetts Bonding from all parts as well as home office officials gather with Mr. Falvey at Swampscott to celebrate the 31st anniversary of the founding of the company and of his service as president. Among other activities, those at the convention will inspect the new offices of the Massachusetts Bonding at 85 Water street here. The company is occupying several floors of one of the largest office buildings in the financial center, directly across from the new federal building.

Returns to Old Location

In exactly that same location, 40 years ago, Mr. Falvey had his first business desk in Boston. He came to Boston from New York City where he had been successful in selling guaranteed attorneys lists for the United States Fidelity & Guaranty. It was that company which he first represented in Boston. At that time 85 Water street was a narrow four-story building and Mr. Falvey had a small office below the street level from which he began to build his insurance career. By 1907, within nine years, he had acquired an experience, an acquaintanceship, and a command of himself which enabled him to begin his real life work.

Interest in Bond Line

Mr. Falvey had always taken the keenest personal interest in the bonding business and he firmly believed that with his experience and with the reputation of Massachusetts as the home of well managed and financially stable insurance companies, he could organize and build a successful bond writing company in Massachusetts. His confidence in himself has been justified by the record of the company. It has had a steady growth from the beginning climaxed by an upward climb of premium volume during the depression years without a dollar of borrowed money.

Personal visits to agents has been a practice of President Falvey from the beginning. He himself made many of the first agency appointments. Among these was agency number one, the E. L. Arundel Agency in Lawrence, Mass. It still represents the company and one of its members is at the celebration this week. The keynote of Mr. Falvey's building has been "selling." He himself began as a salesman and has never lost

sight of the necessity for the salesman's point of view in the management of the company. He got his greatest business pleasure in the early days from the sale of large bonds and has seen his own company handle bonds which rank among the largest in history such as that covering the great bridge at San Francisco.

Mr. Falvey a Home Man

In his personal life, Mr. Falvey has been a home man. He has a beautiful residence and grounds at Swampscott known as "White Court." For two summer seasons, Calvin Coolidge used the place as his summer White House. There Mr. Falvey enjoys his flower garden outside and the many beautiful art objects with which he has furnished the house itself. He has many beautiful rugs, tapestries and pictures in his collection. His two children, both sons, Wallace J. and Donald are officers of the company—Wallace, vice president with headquarters in New York, and Donald, secretary-treasurer, with headquarters in Boston.

Mr. Falvey is a New Englander born. His native town is Lebanon, Conn., where he first saw the light of day in the same house and in the same room in which was born William Gillette, the famous actor. In his early years, Mr. Falvey did some acting on the amateur stage but preferred a career on the stage of business life.

Some of the Early Executives

Among the present executives who went with Mr. Falvey in the earliest days are Vice-Presidents John J. Flynn, G. W. Berry, S. S. Perry and C. G. Fitzgerald. Also with Mr. Falvey since the earliest days has been R. C. DeNormandie, the first and only superintendent of agents in the company. Vice-President Herbert W. Hovey started with the company in 1914. Vice-President John J. Flynn, at the age of 22, began in the burglary department. After serving as manager he went to the plate glass and eventually to the liability department. In addition to an oversight of many of the casualty lines, Mr. Flynn has been a right hand man for Mr. Falvey in handling many executive duties and in representing the company on committees and in conferences.

Berry's Early Connection

George W. Berry of the surety department has worked with Mr. Falvey since 1902 when the latter became New England manager of the United States Fidelity & Guaranty so that he and Mr. Falvey were already co-workers when the latter organized the Massachusetts Bonding in 1907. Mr. Berry went along with Mr. Falvey. He has spent 36 of his 39 business years in association with President Falvey. Vice-President Berry is director of the fidelity business.

Within a year after the company was established, Vice-President S. S. Perry entered its employ. He now heads the home office department underwriting

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Cullen Assails Tariff-Shielded Patrons of Lloyds

National Surety Chief Stresses Inconsistency of Customers' Position

WERNERSVILLE, PA.—London Lloyds underwriters "enjoy a distinct advantage which we cannot overcome, not because of any superior knowledge they have acquired, but mainly because they are operating on an entirely different standard of living," President Vincent Cullen of the National Surety declared in his address before the Pennsylvania Association of Insurance Agents.

"Many of our bankers, our industrialists, and, I am sorry to say, a great many of our agents, because of this differential in rate, and because of the colorful history of Lloyds, have gotten the idea that Lloyds have some magic that we do not possess—that they are stronger, smarter, do their business better," said Mr. Cullen. "That, gentlemen, is an exploded theory. In my opinion the American underwriter has no superior and very few equals, and when I make this statement I include Lloyds of London.

Tariff Gives Advantage

"Why is it that you pay \$90 to \$100 on Fifth avenue for a tweed suit that you can get in the finest stores in London for \$60? Is it because British farmers are smarter than ours and know better how to grow wool? Is it because their cutters are better than ours? Are their tailors better? No, it is because their farmers, their cutters, and their tailors get less money. Take any foreign product and you will find that the differential in price is due not to any desire on their part to underbid us but to their ability to do so because their standard of living is lower."

Mr. Cullen assailed American business men who aggressively protect their own standards of living but are careless of what happens to those of other citizens.

"Look at the rates of tariff imposed by the United States government at the behest of American merchants, and remember, gentlemen, that the very American merchants who have yelled the loudest for a protective tariff to save them from bankruptcy have very readily bought insurance from Lloyds of London because the American insurance man has no protective tariff," Mr. Cullen said.

He also mentioned the danger in agents and brokers in this country aiding this type of foreign competition.

"Many of our agents and brokers in this country are soliciting business for Lloyds, are developing their coverages, in fact, are pointing out to American insured the advantages Lloyds have over the American companies," he said. "I (CONTINUED ON PAGE 33)

Plans for Big Casualty Meeting at White Sulphur

James M. Haines and Cliff C. Jones Will Preside at the Convention

James M. Haines, United States manager of the London Guarantee & Accident, who is president of the International Association of Casualty & Surety Underwriters, will preside at the first meeting of the joint casualty convention at White Sulphur Springs Tuesday of next week when there will be a strong battery of insurance commissioners on hand to be introduced and speak informally, they being Julian of Alabama, who is president of the National Association of Insurance Commissioners; Sims of West Virginia, Justice of West Virginia, Blackall of Connecticut, Gough of New Jersey, Harrington of Massachusetts, Palmer of Illinois and Pink of New York. Wellington Potter of Rochester, N. Y., well known agent, will speak at the same meeting.

Public Officials to Speak

The next morning Cliff C. Jones of Kansas City, president of the National Association of Casualty & Surety Agents, will preside when there will be three men in public life who will speak, they being Governor H. A. Holt of West Virginia, Senator C. L. Herring of Iowa and Senator J. C. O'Mahoney of Wyoming. On Thursday morning each organization will have its own separate meeting.

The National Association of Casualty & Surety Agents will have a round table discussion Monday morning over which President Jones will preside.

Convention Committees

Spencer Welton, vice-president Massachusetts Bonding, is chairman of the entertainment committee; A. Duncan Reid, president Globe Indemnity, reception; D. St. C. Moorhead, vice-president Employers Reinsurance, registration; John G. Yost, vice-president Fidelity & Deposit, golf; C. Sewel Weech, vice-president New Amsterdam Casualty, horseshoe pitching; Mrs. J. W. Henry of Pittsburgh, women's contract bridge tournament; Glen E. Carlton, Lawrence, Kan., get acquainted.

Senator J. C. O'Mahoney (Pronounced O-man-ee) of Wyoming will

New Jersey Speaker Is Leading Safety Man



COL. FREDERICK HICKMAN

Col. Frederick Hickman, prominent Atlantic City local agent, a leader in highway safety movement, will speak before the annual meeting of the New Jersey Association of Underwriters at Asbury Park, this week on "The governor's street and highway safety committee—its purpose and program."

speak Tuesday on "A New Deal for Government and Business." Wellington Potter of Rochester has been shifted to Wednesday and will speak on "Robinson Crusoe—and the Footprints."

Oklahoma Truck Rate Hearing

OKLAHOMA CITY—The Oklahoma insurance board heard arguments Monday on insurance rates for truck operators and ordered a two weeks recess to permit representatives of the Associated Motor Carriers of Oklahoma to compile further information regarding loss experience under the present schedule. The motor carriers are asking a further reduction from the 10 to 14 percent cut ordered by the board last May. At the same time insurance companies contend that they are losing money under the current premium rate and request a 6 percent increase.

Conservation Bureau Has Announced Appointments

Kenneth Beadle is Director of Education and Edward Yordan Publications Editor

NEW YORK—The appointments of K. N. Beadle as director of the education division and E. L. Yordan as publications editor of the National Conservation Bureau of the Association of Casualty & Surety Executives have been announced. Mr. Beadle succeeds to the position from which Dr. H. J. Stack recently resigned to become director of the national center for safety education at New York University. He comes to the bureau from St. Paul, where he was supervisor of safety education in the St. Paul public schools.

Lansing Agents Name Throop President for Third Term

LANSING, MICH.—Ray Throop was reelected for a third term as president of the Lansing Association of Insurance Agents at the annual meeting this week. His administration has been marked by much constructive work, particularly in the educational field, and it was decided by resolution to continue a series of educational meetings which attracted large attendance and proved of exceptional value last year.

Other officers elected are: Vice-president, Ray Waller; secretary-treasurer, Roscoe Mosher (reelected); executive committee, Ralph Goodell, O. W. Maurer, Harry LeBuda and A. A. Smith.

A sustaining fund of \$400 was created and plans discussed to send a big delegation to the state association convention at Muskegon Oct. 4-5. W. O. Hildebrand of this city, secretary state association in charge of the headquarters, was made an honorary member of the local board. W. S. Ellis, Chicago, special lines agent Royal-Liverpool groups was a guest.

Cockburn Cedar Rapids Head

CEDAR RAPIDS, IA.—The Cedar Rapids Association of Insurance Agents has elected G. H. Cockburn Sr., president; W. J. Scherbeck, vice-president; and F. W. Damour, secretary.

Pink Asks Extension of Group A. & H. Coverage

Would Not Require Employer Contribution — Other Recommendations for Law Revision

NEW YORK—Superintendent Pink has recommended to the joint legislative committee on insurance law revision an extension of the scope of group health and accident insurance to permit an employer of 25 or more persons to obtain such protection and also to allow an association of 50 or more employees of a single organization to contract for accident and health policies.

Another change provides that such insurance may be issued for the purpose of covering hospitalization or medical or surgical expenses of the insured or his dependents.

"Blanket" A. & H. is recognized as a separate kind of contract. Such policies are issued to common carriers; to employers in industries where there are exceptional hazards to employees; to colleges, schools or other institutions of learning, or to a volunteer fire department.

Some accident and health executives are opposed to authorizing such coverage where the common employment factor is absent. They say members of chambers of commerce, Rotary clubs, bar associations, etc., might take advantage of the opportunity to secure indemnity at low rates, and it would be difficult to determine a proper rate in view of the difference in occupation of those in the group.

Under the requirement that the employed group consist of at least 25 persons many volunteer fire departments would be disqualified.

Accident and health men assert that the line should be relieved from compliance with section 75 which requires rate filings, and have so expressed themselves to the revision committee. The department apparently desired to get rate control because of complaints that have been made in connection with limited coverage contracts, such as those issued by newspapers.

This recommendation is in line with the action on group accident and health insurance taken at the Quebec meeting of the commissioners, and includes some of the features that were opposed quite strongly by some of the eastern companies.

"The proposed new law," said Prof. E. W. Patterson, chairman of the department committee, "does not restrict the use of group accident and health insurance to cases in which the employer contributes to the payment of premiums. To make such a restriction would probably limit the widespread use of this economical form of insurance, since many employers would be unwilling or unable to make this contribution and, so far as the insurance law is concerned, there is no way to require the employer to contribute. The widespread use of accident and health insurance, properly regulated by the state and prudently written by insurance companies of recognized financial standing, will be another step toward providing a well-rounded insurance program for the wage earner and his dependents."

"Part of this program is provided by the social security act and state legislation, which covers unemployment and old age. Another part is provided by group life insurance, which is being widely used by many groups of employees and which has continued to increase in volume. Group accident and health insurance, which is likewise based on private initiative, will enable groups of employees to obtain protection for hazards not covered by these other plans."

The proposed law requires that the premiums on the group policy be remitted to the insurer through the employer or some other designated agency.

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WILL TAKE PART IN CONVENTION



W. S. KEESE, JR., Chattanooga



W. C. THORNTON, Fond du Lac, Wis.



F. C. GITTINGER, San Antonio

Four prominent local agents will take a prominent part in the conferences called by the National Association of Insurance Agents to meet during convention week at St. Paul. W. S. Keese of Chattanooga is president of the Tennessee Association of Insurance Agents. W. C. Thornton of Fond du Lac is head of the Wisconsin body. F. C. Gittinger of San Antonio is former president of his local exchange and is prominent in his state association.

Automobile Policy Is Being Whipped Into Proper Form

New York Superintendent Desires a Standard Contract for Use in the State

NEW YORK — With the summer holiday season at an end and all important officials again at their desks, the special committee of casualty underwriters responsible for preparing the groundwork for a uniform automobile liability and property damage policy for use in New York met here to consider whipping the intended contract into final form. The committee responsible for the basic plan consists of William Leslie, National Bureau of Casualty & Surety Underwriters; F. J. Fleming, representing non-stock companies; J. J. Magrath, Chubb & Son; H. P. Stellwagen, Indemnity of North America; J. S. Love, Home Indemnity, and Ray Choat, American Automobile. Cooperating were A. E. Spottke, C. J. Haugh and A. J. Bailey of the bureau staff, and J. F. Collins, head of the rating division of the insurance department.

"Insurance Field" Is to Appear in New Dress

The "Insurance Field" of Louisville in October is making an important change in its format. It will be about the size of "Time" magazine and will resemble that publication in style. The management intends to make more extensive use of pictures and will employ a number of new features. The editorial material will be departmentalized more extensively and a three column makeup will be used. The cover design has been modernized and the publication presents an attractive appearance.

M. H. Magruder head of the sales and educational work at Louisville, is being transferred to Atlanta for the "Field" to take the place of Raymund Daniel, who has taken the position of executive

Head of the Heap



T. J. FALVEY

This is a great week for President T. J. Falvey of the Massachusetts Bonding because it is celebrating its 30th anniversary. Mr. Falvey was the chief organizer. He interested some leading financial men of Boston in establishing a new company of sufficient financial girth to write surety bonds and casualty. The Massachusetts Bonding took over at once the United States Health & Accident of Saginaw, Mich., and the Pennsylvania Casualty. Mr. Falvey, by the way, is celebrating his 70th birthday anniversary this year, he having been born in Lebanon, Conn., Jan. 17, 1868. He was manager of the New England department of the United States Fidelity & Guaranty for 10 years prior to organizing the Massachusetts Bonding.

secretary with the Industrial Insurers Conference. Mr. Magruder was formerly located in Atlanta as associate editor of the old "Insurance Herald" and hence is well acquainted there.

New Unit in Minnesota

WINONA, MINN.—Organization of the Southeastern Minnesota Insurance Agents Association was effected here

W. E. Lord Comments on Conditions as He Saw Them in Some Foreign Lands

CINCINNATI — When W. E. Lord, prominent Cincinnati agent, visited Europe this summer, he traveled over 7,000 miles by motor visiting a half-dozen of the larger countries. In conversation with the presidents of two Swiss companies he asked why they decided to enter the United States. Their reply was that it is the best spot in the world today to invest money. The Swiss companies report still doing a good business in Spain despite war activity. They are also doing good business in Germany but cannot get money out of the country. Their method of meeting the situation is by barter and exchange since Germany needs and wants machinery, tankers, and equipment of various kinds which can be purchased in other countries by exchange and barter.

Mr. Lord does not see prospects of any immediate war or major conflict in Europe. He noted particularly the deplorable conditions of housing in the countries visited. Housing facilities in the villages are far worse than in the so-called slums of larger cities, but government building of small village homes does not compare with private buildings in our own country, he says. Government housing in the larger cities consist of barrack-like buildings each five-story structures of concrete and brick with room sizes of 6 x 6 feet and 9 x 12 feet. Living conditions of the American people are far superior to that in the countries visited. In Germany where everyone is working for the state, if a farmer has cattle and wants to sell one he must first get permission to have it slaughtered. Then, when he has been paid and wants to invest the money, he must place it in bonds and securities of the state.

by delegates from virtually every town along the Mississippi between Winona and the Twin Cities. D. R. Mills, Lake City, was elected president; B. R. Neivius, Winona, vice-president, and Frank Wachs, Wabasha, secretary.

The new organization will meet in a different city within its purview every month, on the first Monday. The next meeting will be in Wabash Oct. 3. Bert Costello, Wabash, is chairman membership committee.

Claim Men Take Up Adjuster-Attorney Issue at Meeting

Broad Program Is Presented at Annual White Sulphur Gathering

NEW OFFICERS ELECTED

President—A. G. Fankhauser, Continental Casualty.

Vice-president—R. D. Taylor, Sun Life of Canada.

Secretary—Louis L. Graham, Business Men's Assurance.

Treasurer—F. L. Templeman, Maryland Casualty.

Executive committee—Daniel J. Reidy, Guardian Life, chairman; C. E. Anstett, New York Life; E. D. Millea, Equitable Society, and Carl Jones, Commercial Travelers, Utica.

WHITE SULPHUR SPRINGS, W. VA.—Consideration of the recommendation of the committee on lay adjusters on the proper scope of the activities for attorneys and laymen in handling insurance claims was the outstanding topic at the International Claim Association's annual meeting here. The committee, headed by Harlan S. Don Carlos of the Travelers, urged member companies to distribute copies of agreement made with the American Bar Association at its Cleveland meeting, to all their claim men.

President Millea's Address

President E. D. Millea commended the committee on lay adjusters, stating that it has written a glorious page in the activities of the association. Mr. Millea was invited to sit in as a member of the committee to meet with the board of health of New York City in discussing the new death certificate that had been proposed. It would have worked to the detriment of insurance companies had it been inaugurated, he opined.

Mr. Millea said that those charged

(CONTINUED ON PAGE 31)

WILL PARTICIPATE IN THE DISCUSSIONS



RICHARD E. VERNOR, Chicago
Western Actuarial Bureau



J. DILLARD HALL, Baltimore
U. S. Fidelity & Guaranty



E. D. LAWSON, Chicago
Fireman's Fund



H. K. SCHAUFFLER, New York City
National Board

The National Association of Insurance Agents has drawn on some of the talent to take part in the production and salesmanship forum. They are called "rov-

ing authorities." Richard E. Verner is head of the fire prevention department of the Western Actuarial Bureau; J. Dillard Hall is assistant agency director of

the United States Fidelity & Guaranty; Fireman's Fund, is a special authority. H. K. Schaufler is assistant general manager of the National Board and All these men are excellent platformers. E. D. Lawson, western manager of theers and will provide a sprightly feature.

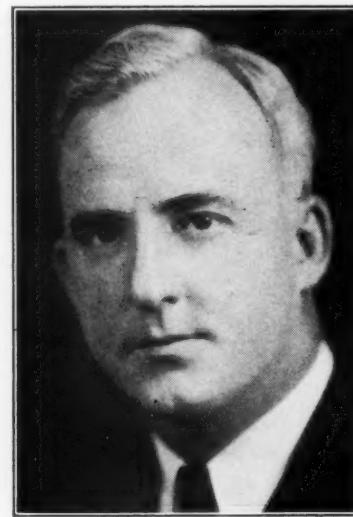
COLORADO AGENTS MEETING SPEAKERS



JOHN K. BOYCE, Amarillo, Tex.
National Association Committeeman



HERBERT FAIRALL, Denver
Colorado President



HERBERT COBB STEBBINS, Denver
Secretary General Agents Association

Retrospective Effective In New Hampshire Sept. 30

Retrospective rating will become effective in New Hampshire Sept. 30. The plan differs some from that in common use in that a risk is eligible if the estimated standard compensation premium on New Hampshire operations aggregates \$2,000 or if the actual audited premium for the first nine months of the current rating period is \$1,600 or more. If the estimated standard premium for all states in which retrospective rating will be applied is \$5,000, or the nine months audited premium is \$4,000, the risk is also eligible. The latter is the usual rule.

Insurance of the possible excess of the retrospective rating premium over the standard premium is also provided in New Hampshire. The additional charge for this is a percentage of the standard premium, varying from 16.2 percent for a standard premium of \$2,000 to 7.1 percent for a \$150,000 standard premium. New York is the only other state in which a similar coverage is provided in the manual.

Retrospective rating is now in force in Alabama, Alaska, Connecticut, District of Columbia, Florida, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Montana, Nebraska, New Hampshire, New Mexico, New York, North Carolina, Oklahoma, Rhode Island, South Carolina, South Dakota, Tennessee and Vermont.

Los Angeles Adjusters Meet

LOS ANGELES—The Casualty Insurance Adjusters Association of Southern California held a closed meeting at which members were made acquainted with all the details of the bar-adjuster controversy and also were given copies of the new constitution and by-laws, proposed as a model for consideration in the formation of a national association, along the lines of the life underwriters and the insurance agents' organizations.

Begley is Kentucky Manager

O. E. Begley has become manager of the Federal Life for Kentucky with headquarters at Lexington. He has been manager of another company at Orlando, Fla.

State Farm Conference

CASPER, WYO.—District managers of the State Farm companies held a one-day meeting in charge of W. E. Searle, Laramie, state director.

Many Companies Writing Hospitalization Contracts as Popularity Increases

THE NATIONAL UNDERWRITER receives from time to time inquiries from producers as to what companies are writing hospitalization insurance. The chief companies writing this plan are the General Accident, Mutual Benefit Health & Accident of Omaha, Washington National of Evanston, Ill., Federal Life & Casualty of Detroit, North American Life & Casualty of Minneapolis, Reserve Mutual Casualty of Chicago, Mutual of Denver, Commercial Travelers Mutual Accident of Utica, N. Y., Time of Milwaukee, Wisconsin National Life of Oshkosh, Wis., Illinois Mutual Casualty of Peoria, Ill., Fidelity Health & Accident of Benton Harbor, Mich., Great American Reserve of Dallas, Tex., Inter-Ocean Casualty of Cincinnati, National Casualty of Detroit, Income Guaranty of South Bend, Ind., Great Northern Life of Chicago, American Casualty of Reading, Pa., North American Accident of Chicago, Peerless Casualty of Keene, N. H., Massachusetts Accident of Boston, Inter-State Business Men's Accident of Des Moines, Hoosier Casualty of Indianapolis, Employers Casualty of Dallas, Ohio State Life of Columbus, Columbian National Life of Boston, Associated Indemnity of San Francisco, North American Underwriters of the Pacific Employers, Los Angeles; Michigan Life of Detroit, Minnesota Commercial Men's, Minneapolis, California-Western States Life of Sacramento, United Casualty of Westfield, Mass., Bankers Union Life of Denver, Prudence Life of Chicago, Professional of Jacksonville, Fla., Physicians Life of San Francisco, North America Assurance of Richmond, Va., Iowa Hospital Service of Des Moines, Loyal Protective Life of Boston, Continental Casualty of Chicago.

Los Angeles Club Meets

Officers and directors of the Los Angeles Accident and Health Managers Club held a special meeting to discuss a letter from Commissioner Goodcell relative to the Lloyds unauthorized company situation, and to formulate plans in accordance with his statement of the legal aspect of the situation.

Val H. Hawkins, Chicago general agent of the Massachusetts Accident, has taken on the General American Life for accident and health in his agency in that city. He has had 35 years experience as an accident producer.

Motor Freight Carriers Move for Cut in Rates

The insurance committee of the Central Motor Freight Association has sent a questionnaire to members in an endeavor to secure information that will induce the National Bureau of Casualty & Surety Underwriters to reduce rates for the motor freight industry.

The committee believes that the industry is not properly classified by the National Bureau and that there should be separate divisions for local drivers, highway drivers, dock and clerical help, executives, mechanics, salesmen and superintendents.

The committee states that at present there is only one classification for drivers, chauffeurs and their helpers; stablemen, garagemen, blacksmiths, repairmen and riggers.

The committee objects, for instance, to the fact that a public garage enjoys a better rating than the mechanic of a freight carrier who is under safety training. The committee states that this is a new industry. Men are being instructed in safety and it is important to get the cooperation of insurers.

Syracuse Agents Are Feted

The Syracuse office of U. S. F. & G. and Fidelity & Guaranty Fire was host to about 150 agents who qualified in a production contest, at a three-day outing at Bolton Landing on Lake George.

Superintendent Pink of New York and acting Deputy Jamison were guests at the banquet. President E. A. Davis was the principal speaker. President F. A. Gantert of Fidelity & Guaranty Fire and a number of other executives of Baltimore were present. W. T. Sinclair and D. D. Patrick, co-managers of the Syracuse office, were hosts.

Takes American Surety Course

Special Agent George H. Hull of the Hull & Co. general agency at Fargo, is leaving this week for New York City to take a six weeks course in casualty and surety at the American Surety's head office. Following completion of the course he will visit some of the head offices of fire companies represented in the general agency including the Commercial Union, New Hampshire Fire, Granite State Fire, Scottish Union & National, Atlas Assurance and London & Lancashire. He will return to Fargo about Nov. 10.

The insurance business of W. H. Snyder Realty Company, Great Falls, Mont., has been purchased by C. C. Ayers Company.

Much Interest in Visit Of Schofield to Chicago

Acquisition Cost Conference Chairman Expects to Make Start Toward Reform

Chicago managers and general agents are much interested in the forthcoming visit of E. D. Schofield of New York City, chairman of the Acquisition Cost Conference, to their city. Some of the people feel that he may get to first base as a starter with his proposition to put the "cease and desist" agreement into effect. This has been tried in Philadelphia and New Jersey and has worked admirably so far. Under this agreement all companies that are members of the Association of Casualty & Surety Executives agree not to enter into any further new contracts to pay commissions above the scale allowed by the rules. This has nothing to do with arrangements now in effect. Some who have gone into the subject thoroughly and have made a personal investigation as to the manner the plan is working out elsewhere are inclined to believe that Mr. Schofield may find a footing.

The effort of the general agents to secure a greater spread so far as automobile commissions are concerned has been turned down on the ground that the companies did not desire to establish a precedent for one casualty line. The general agents desired a 10 percent over-riding commission on automobile classes.

If Chairman Schofield is successful in getting to first base he hopes that someone will hit a double or even a home run so that he will get to the home plate with safety. In other words it is the program to take up one feature at a time on which all can agree.

Some of the casualty executives feel that the Chicago Board might take a hand because undoubtedly commissions are being paid to attract the fire business. Branch office or agency obeys the rules so far as fire commissions are concerned but stretches on the casualty lines. Therefore, if the casualty people can get together there may be an opportunity for the Chicago Board to work in harmony and take some cognizance of the excess commission practice insofar as it affects fire insurance and other lines under the jurisdiction of the organization.

Travelers Men Advanced

Harry Sutton Made Supervising Accident Underwriter and W. W. Canner Assistant in New York Department

HARTFORD—Appointments to the positions of supervising underwriter and assistant supervising underwriter in the accident department of the Travelers Greater New York office are announced. H. H. Sutton has been advanced to supervising accident underwriter and W. W. Canner to assistant accident underwriter.

Mr. Sutton has been a member of the cashier's department in the Greater New York office since 1908 and for years has devoted his entire time to accident and health business both within the office and among brokers throughout the city. In 1920 he was appointed assistant registrar, working under the late T. P. August, who for many years was in charge of accident and health underwriting for metropolitan New York.

Mr. Canner entered the Travelers' home office training school in 1923 and the next year was appointed to the Cleveland branch, where he was made assistant cashier in January, 1926. Next year, he went to Columbus, O., as cashier and from there to Yonkers in the same capacity. For the past four years he has been in the Yonkers branch office.

New President of the Pennsylvania Agents



H. M. ALBERT

H. M. Albert of Stroudsburg was elected president of the Pennsylvania Association of Insurance Agents at the annual meeting this week.

The Pittsburgh association invited the Pennsylvania body to hold its 1939 convention in Pittsburgh. Decision will be made by the directors. Attendance was close to 400.

McCabe With Pacific Employers

Al McCabe, insurance commissioner of California from 1917 to 1922, has been named "executive representative" of the Pacific Employers. Before becoming commissioner Mr. McCabe served for many years as secretary to Hiram Johnson while he was governor of California.

Prado Dam Bid Opening

Bids for construction of the Prado Dam on the Santa Ana river near Los Angeles will be opened Sept. 19. The estimated cost is \$7,000,000. A payment bond of \$2,500,000 and a performance bond of 50 percent of the contract price are required. The Towner Rating Bureau has promulgated special rates.

Missouri Hearing Sept. 27

The Missouri supreme court has set Sept. 27 as the date for hearing the appeal of six mutual casualty companies from a decision of the Boone county circuit court that greatly restricts the activities of lay adjusters. This is the famous action that was instigated by Boyle Clark as chairman of the bar committees of Missouri.

U. S. F. & G. Indiana Drive

The drive for a third of a million of new premiums by Indiana agents of the United States Fidelity & Guaranty in honor of Foster & Messick, marking their third of a century as managers of the company, will reach that objective, those in charge believe. A celebration of the event will be held at French Lick, Oct. 14-16, with over 200 agents qualifying to attend. There will also be a number of officials from the home office.

New Retailers Policy

Continental Casualty has introduced a new low cost retailers burglary and robbery policy, designed for the small merchant trade. The new policy retains all the provisions of the storekeepers form with the single exception of the open-stock coverage. This feature has been eliminated so as to reduce the cost of the policy. Gas stations, taverns, drug stores, lumber companies, produce poultry firms, jewelries, furriers and pawnbrokers are excluded from coverage.

Coverage includes \$250 on money and securities for interior robbery, messenger robbery, safe burglary, kidnapping, home of custodian and \$250 property damage, premises and fixtures. Premiums range from \$15 to \$25, depending upon territory, with duplicate policies giving double protection for 50 percent additional. The policy is written for three years at two and a half times annual premium.

Auto Deaths Decrease

Automobile fatalities decreased 22 percent during the first seven months of 1938, the Aetna Casualty reports. In

the 36 states from which statistics were compiled, such deaths totaled 9,476 during the seven months of 1938 as compared with 12,078 for the same period in 1937.

G. Bergstrom Joins O'Brien & Co.

George E. Bergstrom has gone with M. J. O'Brien & Co., adjusters in the Board of Trade building, Chicago, as safety director. He has been with the inspection and safety departments of the Continental Casualty and Hartford Accident. He was for many years personnel director of Pettibone-Mulliken

Company, and also director of industrial education for the National Founders Association.

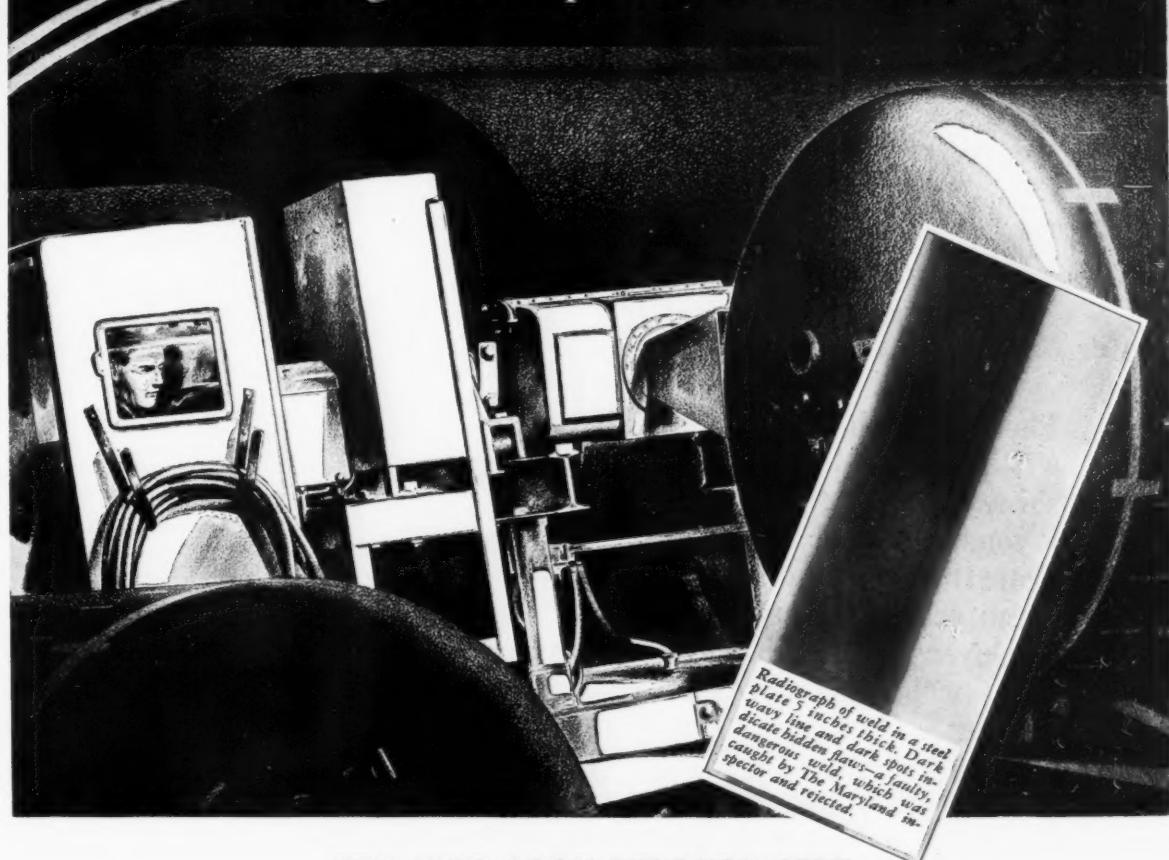
Miscellaneous Notes

F. P. Kennedy, 66, local agent in Decatur, Ill., since 1896, died there.

Attendants at the Florida insurance school created a fund to provide an "expression of appreciation" for Dennis L. P. McCord. An up-to-date radio was presented him.

N. D. Sutherland and J. J. Murphy, who recently retired from the retail automobile sales field, have opened the Sutherland & Murphy agency in the Kennedy building, Tulsa, Okla.

**"Unforeseen events . . .
need not
so often change and shape the course of man's affairs"**



MEN WHO LOOK THROUGH STEEL

Time was when an inspector determined the final fitness of a steam boiler by his sense of hearing. He tapped it with a hammer—if it didn't sound right he would not certify it.

But in recent years industry has demanded huge boilers which will operate safely at high pressure and high temperatures. Riveted boilers wouldn't meet the requirements. Only welded boilers would do it. A modern method of scientific inspection was called for, because industry had to know that the welded boiler was flawless.

So today you find men of The Maryland boiler-inspection service actually *looking through* five inches of solid steel plate. Huge X-ray equipment, its beam so powerful that the operator

must work behind walls of lead, reveals flaws invisible to the eye.

This is only one example of how, in its fortieth anniversary year, The Maryland stays out in front with modern industrial development—works to thwart unforeseen events that might exact heavy toll in human life and property.

Certified boiler engineers inspect boilers and pressure vessels during construction. They also check regularly the boilers in industrial plants, public utilities, state and city institutions, apartments and homes as a regular part of Maryland service. Ask any of the 10,000 Maryland agents.

THE MARYLAND

MARYLAND CASUALTY COMPANY • BALTIMORE

SILLMAN EVANS, Chairman of the Board

EDW. J. BOND JR., President

This advertisement appears in FORTUNE • TIME • FORBES and BUSINESS WEEK during the month of September

ACCIDENT AND HEALTH

Year's Program Announced

Chicago Accident & Health Association to Feature Discussions of Managers' Problems

A particularly constructive program for the coming season was announced by President A. D. Anderson, Continental Casualty, at the first fall meeting this week of the Chicago Accident & Health Association. Mr. Anderson stated that the association this year is to be operated primarily as a managers and general agents organization. There will be no outside speakers, except at the sales congress. The monthly luncheon meetings will be devoted entirely to problems of accident and health managers, handled by members of the association.

The schedule for the monthly meetings, with the discussion leaders, follows: Oct. 11, "Written and Printed Helps," R. E. Watts, Pacific Mutual Life; Nov. 8, "Planning and Arranging Sales Contests," R. C. Straub, Pihl & Straub; Dec. 13, "Relationship of Pro-

ducer to Company," a general discussion of underwriting, Paul W. Stade, Lumbermen's Mutual Casualty, and Armand Sommer, Continental Casualty; Jan. 10, "Training New Brokers and Agents," Clay Lundquist, Fred S. James & Co.; Jan. 14, "Bulletins and Direct Mail;" March 15, claim discussion, under the direction of the Chicago Claim Association, to be conducted by six members of that association; April 11, "Agents' Meetings—Their Value," Charles H. Davis, Pacific Mutual Life; May 9, "Relationship Between Accident and Health and Life Insurance," George Robeson, Connecticut General Life; June 13, "Can Business Be Produced During the Summer Months?"

Special Events of Year

Mr. Anderson also gave some further information in regard to the special events on the year's program, outside of the monthly luncheons, which already have been listed. The sales congress will be held about the middle of January. The general committee in charge of Accident & Health Insurance Week and the executive committee of the Na-

tional Accident & Health Association are expected to hold meetings in Chicago the same week and members of those committees will appear as speakers at the congress. E. H. Ferguson, Great Northern Life, and Mr. Lundquist are joint chairmen in charge of the congress.

The Christmas party Dec. 20, to which wives and sweethearts of members will be invited, will be an innovation for the Chicago association. The association will pay half the expense of the party and those attending the other half. The stag party Feb. 11 will be along the lines followed prior to last year.

Mr. Anderson also announced the membership of the new committees for the coming year.

The report of R. R. MacKenzie, retiring treasurer, showed a balance of well over \$100 in the treasury, as against \$2.80 when he took office.

Daniel Executive Secretary of Industrial Conference

Raymund Daniel, associate editor and resident vice-president of the "Insurance Field," has been appointed executive secretary of the Industrial Insurers Conference, effective Oct. 1, with headquarters in Atlanta. The announcement was made by President Frank P. Samford and H. T. Dobbs, chairman executive committee Industrial Insurers Conference. The conference has been active in the industrial field for 28 years and has a nationwide representation of company members.

Mr. Daniel has been with the "Insurance Field" 22 years. He is the only person who has attended 23 consecutive annual sessions of the Industrial Conference, although not a member. He has been an honorary member of the Alabama Association of Insurance Agents for 20 years and is a life honorary member of the Georgia Association of Insurance Agents and the Atlanta Association of Insurance Agents. He served at one time as secretary of the old Insurance Federation of Georgia. He is an alumnus of Alabama Polytechnic Institute (Auburn).

Executive Committee Meeting

A meeting of the executive committee of the Health & Accident Underwriters Conference has been called for Oct. 11 at the Edgewater Beach Hotel in Chicago. This will be a meeting for committee members only. James E. Powell, Provident Life & Accident, chairman of the committee, will preside.

At this meeting the committee will have to fill the vacancy in its membership caused by the resignation of O. B. Hartley, associate general counsel of the Washington National, who has left that connection to go to Olympia, Wash., where he will enter private law practice. The time and place for the annual meeting of the conference probably will be selected at this meeting.

A. & H. Week Committee to Meet

Harold R. Gordon, chairman of the general committee in charge of 1938 Accident & Health Insurance Week, has called the final meeting of that committee for Oct. 10 at the Edgewater Beach Hotel, Chicago. The members will convene for luncheon and wind up all matters connected with this year's observance at an afternoon session.

Require Accident Cover for Travelers in Mexico

The Mexican government has made issuance of accident insurance for every passenger obligatory for all transportation companies operating under federal concession. Premium for this insurance, with maximum principal sum of 5,000 pesos, must be paid by the passenger.

drive; E. H. Mueller, Pacific Mutual, high gross; M. F. Ryan, Old Line Life, best dressed golfer; Gilbert Irwin, United Benefit, attendance prize.

The new officers of the association were introduced, together with John E. Reilly, president Old Line Life, and H. A. Woodward, manager accident and health department of that company.

Philadelphia Outing Sept. 28

The Accident & Health Club of Philadelphia will hold its annual get-together outing at the Cedarbrook Country Club Sept. 26. The committee headed by H. B. Yerkes, Hooper-Holmes Bureau, has arranged a program including golf and other sports and a dinner.

First Los Angeles Meet Sept. 20

The Los Angeles Accident & Health Managers Club resumed its activities with a meeting of the officers and directors Sept. 13. The first fall luncheon meeting will be held Sept. 20.

R. F. McKnight Resigns

R. F. McKnight, superintendent of agents of the Federal Life & Casualty of Detroit, has resigned. Fred Grainger, agency director, will take on the work at least temporarily until some decision is reached as to Mr. McKnight's successor. In addition to his regular agency work he has gotten out each week the "Federal News," a sprightly, inspirational sheet.

Michigan Ruling on Bonds for Motor Carriers

LANSING, MICH.—The attorney-general has given an opinion that the Michigan public utilities commission has the right to permit the filing of surety bonds by intrastate motor carriers in lieu of carrying p. l. and p. d. However, it is discretionary with the commission whether it exercises that privilege. Counsel for one of the insurance companies sought to get a ruling that the commission must accept bonds. So far the commission has taken no action as a result of the ruling. It is reported that the company anxious to have surety bonds approved is Peerless Casualty of Keene, N. H.

The attorney-general holds that surety companies could write such bonds if the commission decides to accept bonds.

The Michigan department is opposed to modification of the regulations on the theory that it would give an advantage to the big motor carriers, who would be able to file bonds and thus virtually become self insurers.

Agents Wanted

**BEAUTY SHOP
LIABILITY
INSURANCE**

Policies written by Responsible American Company in business over 26 years.

LOW COST • REGULAR COMMISSIONS

**C. T. KIPLINGER, General Agent
175 W. Jackson Blvd., Chicago, Ill.**

A Year 'Round Market

There is nothing seasonal about the writing of Fidelity Bonds. Rain or shine, in good times or bad—there is a constant need for this protection. From the small shop owner to the large manufacturer, everyone who entrusts employees with cash, securities or personal property is a prospect for fidelity insurance.

Ohio Casualty agents, at all times, find it a profitable line to promote. The coverage is reassuringly broad, the rates are well on the easy side of economical.

It is but one of Ohio Casualty's several money-making lines. We'd like to tell you more about it and your inquiry will receive our very prompt attention.

**THE OHIO CASUALTY
INSURANCE CO.**
HOME OFFICE

HAMILTON, OHIO

Milwaukee Association Outing

MILWAUKEE — Members of the Milwaukee Accident & Health Association and guests attended the annual field day at Tripoli Country Club, featured by golf and other sports. C. S. Thoring, Pacific Mutual, was chairman. Among the prize winners were N. O. Knudson, United Benefit, low gross; J. D. Rogers, Continental Casualty, low net; A. R. Smith, Continental Casualty, blind bogey; W. J. Moore, secretary Old Line Life, longest drive; Leslie Eaton, Massachusetts Protective, shortest

September 15, 1938

COMPENSATION

Hospital Charges Going Up

Industrial Commission and State Workmen's Compensation Insurance Department Confer as to Procedure

NEW YORK—By direction of Governor Lehman a hearing as to the proper charge to be imposed by hospitals in workmen's compensation cases was held jointly by Industrial Commissioner Miller and Superintendent Pink. The contention of the hospital representatives was that the fee of \$4.50 per day paid them by insurance carriers for the care of injured workers was inadequate and the figure should be \$5.50.

As spokesman for the insurance interests, Leon S. Senior, general manager Compensation Insurance Rating Board, asserted that the cost of medical care in compensation cases "has risen from 20 cents for each dollar of indemnity, to 50 cents," adding, that unless the upward movement is checked the beneficent object of the workmen's compensation law will be defeated. Mr. Senior suggested determination of the proper daily bed rate be left to an arbitration committee, to be composed of two representatives selected by the hospitals, a like number by insurance carriers, and a fifth member to be chosen by the four, pledging in advance the willingness of the interests he represented to abide by whatever decision is reached.

Voluminous documents were submitted by the two interests. Miss Miller and Mr. Pink suggested that each might file additional briefs if desired, promising full consideration would be given as speedily as possible. It was made clear that neither the industrial commission nor the insurance department had jurisdiction in the matter, but would lend their aid in seeking an equitable solution of the controversy.

Expect New Minnesota Rates

ST. PAUL — Data are now being gathered by the Minnesota compensation rating bureau preparatory to making new rate proposals this fall. It is expected the proposals will be submitted to the state compensation board in October and a hearing held and decision made in time to have the new rates in effect by the first of the year.

SURETY

Milk Control Act Upheld

The Dauphin county court at Harrisburg, Pa., has upheld the constitutionality of the amended state milk control act requiring milk dealers to post surety bonds guaranteeing payment to producers for milk purchased.

In Golf Outing Drive

The surety department in the Insurance Exchange branch office of the Continental Casualty, Chicago, under Palmer O. Olstadt, manager, is conducting a fidelity and forgery campaign which will wind up in October at an all-day outing at Mohawk golf club near Chicago.

Cut Oil Producers Bond Rates

LOS ANGELES — The Oil Producers Agency of California, with more than 300 member companies, has advised its members that following a two-year fight for a 50 percent reduction in rates of completion and abandonment bonds, the premium on each bond hereafter will be \$25 instead of \$50, as originally, or \$40 as fixed in mid-June. The reduction was promulgated by the Tower Rating Bureau, following a recommendation by both the northern and

southern California cost acquisition conferences.

During the visit of M. W. Lewis, head of the Tower Rating Bureau, to Los Angeles, a three-hour conference was held on the subject. Mr. Lewis asked that additional data be sent him on his return to New York, and the new rate is the result.

Kemper Meet in Wisconsin

More than 100 Wisconsin agents of Lumbermen's Mutual Casualty were guests of the company at a one-day meeting at Green Lake, Wis. President James S. Kemper was in charge and a

number of department heads gave talks in behalf of their specialties.

Protest Cut Rate Offer

BOISE, IDA.—The Idaho Association of Insurance Agents has lodged a protest with the State Association of Automobile Dealers against the offering of cut rates to its members on garage liability and property damage insurance through a reciprocal. The reciprocal is offering substantial reductions despite the fact that the experience on this class of business has not been profitable. The Idaho association points out that the dealers' organization is adopting a short

sighted policy from various standpoints, in that "the carrier does not operate through local agents and does not contribute to the prosperity of the various communities of the state."

Files 20 Percent Deviation

OLYMPIA, WASH.—An A. B. C. plan for rating automobile risks has been filed with the Washington insurance department by Standard Surety. The filing, which offers a 20 percent reduction on Class A risks, has not as yet been approved, the department calling for experience from the company to justify the new schedule.

CAPITAL \$1,000,000



SURPLUS \$1,376,237.57

STRENGTH

STABILITY

SERVICE

Casualty Insurance

Fidelity and
Surety Bonds

**CENTRAL SURETY
AND INSURANCE
CORPORATION**
HOME OFFICE
KANSAS CITY, MISSOURI

Casualty Company Statements

Report as of June 30 to Georgia Insurance Department

	Capital or Deposit	Assets	Surplus	Income	Disbursements	Six Months
American Bonding Co.	\$ 1,000,000	\$ 2,014,420	\$ 655,356	\$ 411,046	\$ 329,004	
American Fidelity Cas.	675,000	2,483,663	746,876	1,731,036	1,840,697	
American Motorists	750,000	8,688,226	1,001,607	3,948,846	3,045,738	
American Policyholders	550,000	2,499,396	200,000	1,117,794	669,635	
Associated Indemnity	750,000	5,047,137	948,931	2,107,101	1,886,780	
Bituminous Casualty	300,000	5,458,719	739,336	2,345,726	2,348,203	
Central Surety	1,000,000	6,603,924	1,376,237	2,244,396	1,889,258	
Century Indemnity	1,000,000	11,929,421	2,445,418	4,641,114	3,384,221	
Continental Cas.	1,750,000	32,136,655	5,630,536	11,287,807	9,312,468	
Eagle Indemnity	1,000,000	8,122,366	1,000,000	2,128,361	1,795,128	
Employers Reinsurance	1,500,000	15,461,584	2,500,000	3,724,276	3,655,098	
Fidelity & Deposit	2,400,000	22,390,747	6,341,421	6,157,783	5,707,227	
Hartford Live Stock	500,000	1,358,969	460,000	349,980	284,204	
Inter-Ocean Casualty	150,000	656,417	150,103	772,647	741,174	
London Guarantee	900,000	15,084,503	3,838,003	4,358,206	4,225,384	
Maryland Casualty	2,544,798	38,594,504	3,799,785	14,399,191	14,355,331	
National Acci. & Health	150,000	519,945	233,449	399,258	375,846	
National Cas. Co.	750,000	4,378,078	1,284,702	1,916,579	1,684,172	
New Amsterdam	1,000,000	25,290,616	4,000,000	8,167,144	6,971,233	
Ohio Casualty	600,000	6,591,884	860,139	3,120,180	2,610,116	
Phoenix Indemnity	1,100,000	7,398,530	1,740,529	2,229,326	1,810,493	
Preferred Accident	1,000,000	9,005,850	2,416,360	2,704,321	2,443,137	
Royal Indemnity	2,500,000	31,045,744	2,500,000	8,866,183	7,055,585	
Seaboard Surety	1,000,000	3,980,136	1,000,000	813,592	620,003	
Standard Accident	1,391,430	22,647,279	2,076,266	8,543,271	7,328,124	
Sun Indemnity	1,000,000	6,254,108	1,352,284	1,798,310	1,560,880	
United States Guaranty	2,000,000	15,251,192	5,054,851	3,308,559	2,363,556	
Washington National	1,250,000	41,522,171	706,663	6,880,455	7,492,932	
MUTUALS						
American Mut. Liab.	200,000	37,626,509	5,343,138	13,604,492	11,391,413	
Benefit Assn. Ry. Emp.	.....	2,244,761	1,267,826	1,707,549	1,720,446	
Factory Mut. Liab.	.....	12,828,537	6,422,452	2,422,969	1,586,184	
Liberty Mutual	.....	62,099,201	8,881,663	25,518,648	18,514,573	
Lumbermen's Mutual	.....	32,837,946	4,151,494	16,044,957	13,669,497	
Mutual Benefit H. & A.	.....	6,668,155	600,000	5,709,500	5,066,131	
Mutual Boiler	.....	1,186,656	753,948	439,308	454,729	
State Farm Mutual	.....	14,301,535	4,006,822	6,862,572	6,032,530	
LLOYDS-RECIPROCALS						
Casualty Recip., Mo.	.....	2,522,407	814,394	1,118,018	994,697	
Lloyds America, Tex.	.....	1,389,320	157,788	845,607	836,763	

COMPANIES

Publish Incorporation Notice

Mid-America Casualty of Cedar Rapids, Ia., has been publishing notice of incorporation. H. L. Nehls is the president. He was formerly general manager of Iowa Mutual Liability. H. J. Chadima is secretary. The authorized capital consists of 20,000 shares. In addition to Messrs. Nehls and Chadima, the directors are B. B. Hickenlooper, Cedar Rapids attorney, who is a candidate for lieutenant governor in Iowa on the Republican ticket; E. A. Johnson, G. W. Corey, J. E. Rogers, M. F. Mitvalsky, J. A. Lattner, and G. H. Cockburn, Sr.

Industrial Mutual Liability

The Industrial Mutual Liability of Topeka, Kan., has been licensed, having surplus of \$26,500. It writes auto liability, plate glass, theft, auto property damage, collision, auto fire and miscellaneous. H. S. Putney is president; John W. Blood, vice-president; W. D. Jackson, secretary; O. C. Herdman, assistant secretary.

Report on Northwest Casualty

The Washington department reporting on the examination of the Northwest Casualty of Seattle as of Aug. 15, shows assets \$1,837,760, premium reserve \$664,684, loss reserve \$414,829, capital \$400,000, net surplus \$311,637, premiums last year \$1,315,641, losses \$465,947.

To Liquidate Tower Mutual

COLUMBUS, O.—The common pleas court has authorized the Ohio department to liquidate the Tower Mutual of Cincinnati, which it took over a few days ago. The company has about 2,000 policyholders and has been operating in Ohio, Michigan, Oklahoma, Kentucky and West Virginia. Assets are reported to be about \$70,000 and liabilities \$240,000. All policyholders and claimants will be notified at once to file claims with the department. Liquidation has been placed in the hands of C. B. Drake,

an examiner of the department, as special deputy. He formerly was with the Western & Southern Indemnity.

The American General of Houston has been admitted to Oregon. Cravens, Paragon & Fox are general agents. J. D. Hurley, who has charge of the northwest field, will have headquarters in Portland.

Richmond Rates Unchanged

In THE NATIONAL UNDERWRITER of Sept. 1, analyzing the recent changes in the burglary manual, the statement was made that Richmond, Va., had been moved from territory 4 to territory 3, with a resulting increase in rates of almost 50 percent. This statement was erroneous, as Richmond had previously taken territory 3 rates. A change in the manual explanation of territories, de-

signed to clear up an ambiguity, caused this misinterpretation.

Like St. Louis and Baltimore, the city of Richmond is politically independent of any county. Physically, it lies within both Chesterfield and Henrico counties. These two counties were previously listed in the manual as taking territory 3 rates and it has been the practice of the companies and the National Bureau of Casualty & Surety Underwriters to apply these rates to Richmond. Because some dispute had arisen on this point, the expression "Richmond City" was added to the list of territories taking territory 3 rates and the manual was reprinted. The author of the article in THE NATIONAL UNDERWRITER, seeing "Richmond City," added to the table, prefixed by a star indicating a change, mistakenly concluded that Richmond had formerly been in the "remainder of state" classification, which takes territory 4 rates.

CHANGES

Alexander Ohio State Agent

The Pennsylvania Indemnity and Pennsylvania Indemnity Fire, both of Philadelphia, have appointed A. H. Alexander as state agent in Ohio. G. R. Dette is agency director. Mr. Alexander has been with the companies for a number of years. He is past district governor of the Lions Club in Ohio.

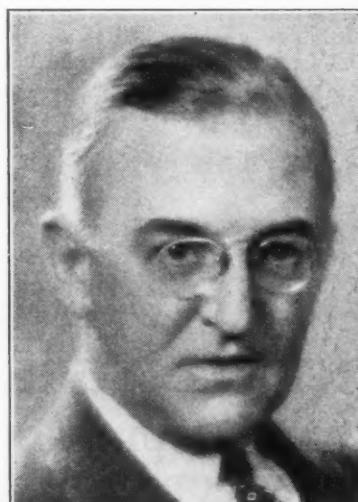
Extend Memphis Agency's Scope

The Underwriters Service Agency of Memphis, which has represented the Associated Indemnity and Associated Fire & Marine in western Tennessee, Mississippi and Arkansas, has been given jurisdiction over the entire state of Tennessee, in addition to the other states. The Associated Fire & Marine, which has not been represented in Tennessee, has made application for certificate of authority to permit the general agency to write complete automobile coverage in the Associated companies.

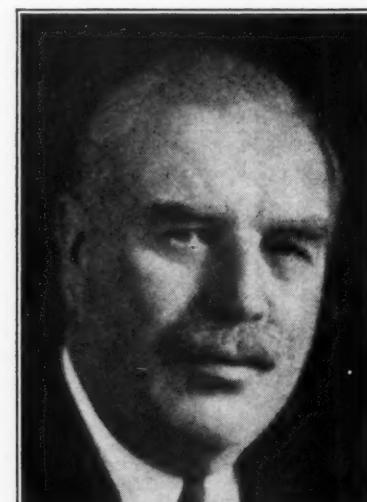
Move Branch to Des Moines

DES MOINES.—The branch office of the Employers Mutual Liability of Wausau, Wis., has been moved from Davenport to Des Moines. E. O. Jenkins, manager, has established temporary offices at 500 Walnut building. A sales office will be continued in Davenport.

Two Official Greeters



SPENCER WELTON, Boston



A. DUNCAN REID, New York City

At the big casualty convention at White Sulphur Springs starting next Monday, Spencer Welton, vice-president of the Massachusetts Bonding, is chairman of the prominent entertainment committee while A. Duncan Reid,

president of the Globe Indemnity, heads the potent reception committee. Both of these chairmen are known far and wide for their cordiality and ability to make conventioning insurance people feel at home.

PERSONALS

Ray Murphy, assistant manager Association of Casualty & Surety Executives, and former national commander of the American Legion, was among the featured speakers at the annual convention of the New Jersey department of the legion at Asbury Park.

J. P. McGrayel, manager Seaboard Surety at Dallas, has been visiting his mother in Indianapolis, his native city. After serving the National Surety in Indiana as manager, he went to the home office under W. B. Joyce, then president. He has been in Texas for two years, having launched the Seaboard Surety in that state. Some time ago Mr. McGrayel acquired a ranch south of Dallas on which he makes his home and he styles himself a farmer. Incidentally, he has found that owning a farm has been good for the contract bond business, as a fair proportion of the most successful road building contractors are operators of ranches in which they take great pride, and this gives him entree to their interest and friendship. Building contractors are usually city dwellers, he finds. Mr. McGrayel has become a real Texas booster.

J. S. Bonebrake, 69, underwriter in the judicial department of the United States Fidelity & Guaranty since 1922, died at his home in Catonsville, Baltimore suburb.

John J. Hall, director of the conservation bureau of the National Bureau of Casualty & Surety Underwriters, is in Los Angeles to attend the Western Safety Conference. Before going to Los Angeles Mr. Hall spent some time in Sacramento and San Francisco and will return to San Francisco to be the principal speaker at a special "Save a Life" safety luncheon on Sept. 26. He will also attend the American Legion convention at Los Angeles immediately following the Safety Conference.

R. W. Faulkner, vice-president of the Woodmen Accident and Woodmen Central Life, was stricken with a heart attack while at his desk a few days ago, but is recovering in a Lincoln, Neb., hospital. **Charles E. Spangler**, chairman of the board of the Woodmen companies, suffered a cerebral attack at his home, but is rapidly mending.

A. W. Yarnell, 31, an investigator for the Hoosier Casualty, was found dead in his automobile near Mt. Sterling, O. He had been missing for several days.

Pittsburgh Claim Men Meet

PITTSBURGH—At the Pittsburgh Casualty Claims Association's meeting Donald Darragh, Travelers' claims superintendent, reported on the agreement reached between the American Bar Association committee on authorized practices and members of various claims organizations attending its convention. N. C. Bradway, Pennsylvania Indemnity, gave a report on the state convention.

C. M. Reed, resident superintendent of the Pinkerton National Detective Agency and local director of the Allan Commercial Service, gave a talk on compensation claims illustrated by motion pictures of claimants whose disability claims were refuted by showing them at their daily tasks.

U. S. F. & G. Baltimore Conference

BALTIMORE—District supervisors and the claim department men in Maryland, North Carolina and West Virginia, the territory controlled by the Baltimore branch office of the United States Fidelity & Guaranty, are meeting Thursday for a three-day conference to discuss sales promotion. B. Conway Taylor is manager of the branch. The program will include addresses by E. Asbury Davis, president, and other officials.

Claim Men Take Up Adjuster-Attorney Issue at Meeting

(CONTINUED FROM PAGE 25)

with the administration of claims have fallen heir to a great responsibility. It is necessary, he said, in many instances to adjust the assured before adjusting the claim. The claim department, he averred, presents a better opportunity to invite public confidence in the institution of insurance as a whole than any other. Continuing, he said, "Heretofore it was very necessary to pay what was due in accordance with the provisions and contracts but in these times we must exercise a greater degree of skill and diligence in dealing with the public. We must be patient in explaining the coverage. We should be careful to convey the reasons why we can pay only what the contract calls for. In other words, we must be more than adjusters, investigators or even attorneys."

Should Enlighten Policyholders

Mr. Millea said it becomes the duty of the claim department men to remind the people in the most effective way some of the facts regarding insurance. For instance, they forget, he said, that during the depression the insurance companies were among the few paying each dollar as it fell due. When adjusters are faced with a fraudulent situation then they must evince courage. When they find a claimant who is unfair and dishonest then the adjuster must protect the interests of those who employ him. Adjusters, he said, must not be too fearful of criticism.

Mr. Millea expressed a hope that the International Claim Association might offer some courses of training for young men entering that particular field. It might well be the means, in his opinion, of attracting a high type of individuals and it would be a very useful function.

Heart Disease Important

Heart disease is of increasing importance as a cause of death or disability, said Dr. George W. Roberts, Jr., professor of medical jurisprudence, St. Johns University. All heart disease does not occur at the older ages. Among children and young adults heart disease is almost always the result of some kind of infection, the most common of which is rheumatism. Rheumatic heart disease occurs with great frequency in some families and is common in the great cities and industrial centers of the north although it is rare in the deep south. There are a number of questions in the field of cardiac disease that need solution, said Dr. Roberts. At present the actual knowledge in this field is meager, although opinions, poorly substantiated by evidence, are widely held.

An interesting discussion on Dr. Roberts' paper was led by Dr. Daniel W. Hoare, assistant medical director Penn Mutual Life. Others taking part in the discussion were M. Barratt Walker, Thomas F. Hickey and Dr. Cort.

Hein Heads Closed Discussion

Monday afternoon's round table discussion was a closed session with Mr. Hein as chairman. Edward J. Morris, superintendent claims department Equitable Society, spoke on an interesting and unusual death claim in litigation. John I. McAlexander, assistant treasurer of Bankers National Life, spoke on monies left on deposit under settlement options. R. D. Taylor, assistant superintendent of claims Sun Life of Canada, discussed "Liability of the Company on a Binding Receipt."

Daniel J. Reidy, Guardian Life of New York, told of the use of models in defense of double indemnity claims.

Although lump sum settlements in compensation cases have fallen into disrepute, accident and health and disability claims under life policies present a different type of problem, said Dr. F. W. Dershimer, associate professor in psychiatry at the college of physicians

and surgeons, Columbia University, in discussing "The Rehabilitation of Nervous and Mental Cases." The disability claimant is of the higher class, has business experience and can obtain legal counsel, so he does not come in the same class as the compensation claimant. Consequently no sound reason can be raised against rehabilitation in a lump settlement in case of life and health and accident claims.

The problem in the rehabilitation of claimants is one of discovering and relieving accumulations of emotions which have been repressed in most cases over a period of years, said Dr. Dershimer. Claim men can use certain psychiatric principles and if necessary consult a psychiatrist in difficult cases. The first principle is learning to listen intelligently. It wins the friendship of most claimants and also enables the listener to read between the lines of the illness. There is no excuse for ever treating a claimant discourteously. Every addition to the accumulation of emotions already present will make the condition worse. Courtesy in claims work has a high financial value. More flies are caught with honey than with vinegar. Alert patience, an open mind and an unending study of the case are important, said Dr. Dershimer. It is not always possible to clear up cases early and it is sometimes necessary to await

the opportune moment, which requires constant contact with the patient.

The preparation of the defense in a heart claim was discussed by James D. Ewing of Alexander & Green, New York law firm. The first thing is to know what is involved in the claim. The questions include not only the insurance, but the amount of monthly disability income in all companies involved. This information facilitates a decision on the expense angle and opens the door to cooperation of other interested companies.

One thing that is often overlooked in the exchange of information is an application for new insurance or reinstatement of insurance, said Mr. Ewing. Whether such an application has been accepted or rejected is a matter of prime importance. It frequently appears that such an application is made to one company at a date subsequent to the commencement of the period of disability for which the claim is being made against another. Often the application of one company shows some prior history not disclosed in another. When a heart claim is presented there should be a prompt and comprehensive examination by an outstanding, preferably independent authority.

The testimony of investigators as to what they have seen is always available and useful, but standing alone it is little

or rarely of practical value. However, it does form a background for motion pictures. From the standpoint of the preparation of the defense from the occupational angle, movies are one of the most, if not the most, important subjects of consideration, said Mr. Ewing. Moving pictures of any activity, however apparently insignificant, may be important at the trial, he said.

Three essentials in the preparation of the defense in a heart action were suggested by Mr. Ewing: "(1) It should start with all of the available file information of all companies interested, bearing even remotely on the existence of either the disease complained of or the fact of disability; (2) it should be conducted so as to afford, if it be possible, under the circumstances, some basis for a defense from the medical standpoint; the trial should not find the company high and dry with no medical testimony available; (3) occupational and non-occupational activity should be developed to the fullest extent, with a view to disproving or contradicting the story upon which the plaintiff claimant will base his case."

May Reclaim Benefits

The insurer may reclaim benefits paid under the mistake of fact as the result of three different situations, said J. D. De Witt, supervising adjuster of the

TEETOTAL

Teetotal. The origin of this word is ascribed to the stammering utterance of the word total by one Richard Turner, a plasterer's labourer at Preston in Lancashire. He was much given to holding forth in the Lancashire dialect at meetings of the temperance societies, and at one, in the midst of a philippic against what he called "hawf measures," he said, "I'll hev nowt to do with this moderation-botheration pledge—I'll be reet down tee-tee-total for ever and ever." "Well done, Dick!" said the chairman, "that shall be the name of our new pledge"; and the name it became, and still is.

—*"Words, Facts and Phrases," Edwards.*

There are no "half measures" with the Bankers Indemnity: it is totally an Agency Company.

Bankers Indemnity Insurance Co. Newark, New Jersey

« Casualty Affiliate of the American Insurance Group »

1938

Travelers. These are: (1) Induced by fraud of assured, (2) induced by mistake of fact as to the happening of the contingency on which it is payable, (3) a breach of a condition avoiding the policy.

If reclamation is to be attempted, the following requirements are necessary to warrant an expectation of any degree of success: (1) That the company exercised reasonable diligence in ascertaining the facts; (2) that the fraud or mistake can be clearly proved, (3) that the fraud or mistake would have prevented a recovery, (4) that the company was not aware of the fraud or mistake at the time of payment, (5) that the payment was complete and voluntary as distinguished from a compromise in amount or method of payment or to avoid a suit.

F. L. Templeman, Maryland Casualty, treasurer of the association, reported resources of approximately \$10,000.

Would Standardize Insuring Clause

Will Manier, Jr., Nashville, speaking on "Independently of All Other Means," gave an interesting sketch of the development of the insurance business. He suggested that the business would be benefited if a study were made with the idea of standardizing the phrasing of the insuring clause.

Pennsylvania Men's Annual Meeting

(CONTINUED FROM PAGE 3)

Membership is ahead 32 percent. Efforts are being concentrated on promoting educational work, as was evidenced in the convention program.

Most of the main speakers were selected from outside the association with a view to bringing a message along educational or informative lines to the membership. Agents are interested in listening to those who can throw light on the problems confronting them.

An indication of this attitude was the breakfast meeting of local board representatives. This was the first time such a conference has been held at a Pennsylvania local agents meeting. Designed to promote an interchange of ideas on local problems, it was highly successful and well attended.

Discussion centered principally around overhead writing, particularly the practice of chain store corporations placing their insurance with a broker in a large center under a general cover form. Ralph Alexander, manager of the recently-organized Pittsburgh board, exhibits the writing of Pennsylvania risks by, or payment of commissions to, anyone except a licensed Pennsylvania agent. Lester Mann, Scranton, said the Lackawanna County Exchange has asked all fire companies to cooperate in making certain that local agents get their commissions in these cases.

H. M. Albert, Stroudsburg, said the Monroe county board has solved this problem and advised other agents to "get after the companies and let them know that you mean business." He said companies are glad to cooperate when the situation is brought to their attention.

The Lancaster board has found it valuable to take a prominent part in local civic activities as a means of promoting favorable public relations.

Cooperative Advertising

The Scranton and Allentown boards reported success in cooperative advertising programs of board members in their respective cities. The troublesome and costly problem of advertising in programs of charitable or benevolent entertainments has been solved in Lewiston by agreement of board members not to do any advertising except on a joint basis.

The Lehigh Exchange has made good use of a circular showing how much local spending members of local boards and their employees account for. The circular is used successfully in fighting mutual competition.

W. Owen Wilson, Richmond, former

Chiefs in Golf Contest



JOHN G. YOST, Baltimore



WALLACE J. FALVEY, New York

John G. Yost, vice-president of the Fidelity & Deposit and American Bonding, again heads the golf committee that will perform at the big casualty convention at White Sulphur Springs next week. The vice-chairman is Wallace J. Falvey, vice-president of the Massa-

chusetts Bonding who has charge of its New York City business. This is the only committee, by the way, at White Sulphur that has both a chairman and vice-chairman. Both men are experts in handling emotional, temperamental and ambitious golfers.

President National Association of Insurance Agents, speaking at the first general session, dealt on the necessity for cooperating with the National Association of Credit Men to promote realization of the vast amount of credit losses that could be prevented by adequate insurance coverages. He said that in the last five years these losses totaled \$3,200,000,000.

Citing statistics to show that American commerce is 95 percent on a credit basis and only 5 percent cash, Mr. Wilson said it would appear that credit and insurance are closely related. He said that in conjunction with T. Alfred Fleming of the National Board he had undertaken closer collaboration with the National Association of Credit Men. Credit men, he said, have shown themselves eager to lend assistance to get what the insurance men had to give them.

Mr. Wilson quoted a prominent Chicago credit executive as saying, "We must stop credit-checking and start credit appraisals." The latter would mean thorough survey of all factors bearing on the credit risk, with particular attention to the types of insurance carried by each customer.

In this connection, he advised all local agents to equip themselves to furnish information which assured will be wanting to answer questionnaires sent out by credit executives of firms from which they buy. Failure to appreciate the importance of these questionnaires and the necessity for speed in getting the information may result in loss of the insurance account, he warned, as such cases have occurred.

Gives Four-Point Chart

Outlining a four-point chart covering credit risks, Mr. Wilson said it was divided into (1) personnel protection, including group life and accident and health, workmen's compensation, dishonesty coverage, personal liability of officers; (2) physical plant, not only fire and tornado but other coverages necessary to safeguard credit; (3) financial side; and (4) miscellaneous items, such as use and occupancy. He cited actual cases to show how serious credit losses had occurred because of the absence of adequate insurance coverage.

For the local promotion of cooperation with credit executives, he suggested a committee of three insurance men, one from each line, fire, casualty and life. The committee meets with local

credit men. This works out better, he said, than having a separate meeting for each line of coverage.

Ray Murphy, New York, assistant general manager Association of Casualty & Surety Executives, outlined the different aspects of the work of his body. He stated that it is willing and anxious to act as a liaison body between companies and agents, but reminded his audience that it is not an underwriting group and cannot determine individual company practices. The program of the association, he declared, gives all forces of stock casualty insurance and suretyship an opportunity to present a united front against competition.

President W. F. Wingett, Scranton, reported an increase of 200 agencies in membership during the past year and the creation or revival of seven local boards. He praised N. B. McCulloch, Lancaster, chairman of the membership committee, for his work in the face of difficult business conditions. There are now very few high grade agencies in the state which do not belong to the association and very few members who are not affiliated with a local board. A local board, he continued, is difficult to establish, but it is the finest instrument known to clean up an undesirable agency situation and to assist the insurance department in its struggle to put and keep the right type of man in business.

The two most important problems before the association during the past year were the safe driver reward plan and the revised workmen's compensation rate and commission schedule. For the first time in its history, the Pennsylvania association entered into matters of this kind, its representatives conferring with companies, the National Bureau of Casualty & Surety Underwriters, the Pennsylvania Rating & Inspection Bureau and the Pennsylvania insurance department. Directors and special committee members attended 20 meetings, spread between Philadelphia, New York, Harrisburg, Pittsburgh and other points. The work of the association and its committees, declared Mr. Wingett, saved a very substantial portion of the commissions of every agency. All sessions were harmonious and all conclusions were arrived at without ill feeling. Mr. Wingett thanked the companies, insurance department and organizations for their consideration of the agents' ideas and requests. He reminded the companies that the Pennsylvania association is not a C.I.O. organization, but a group

of substantial business men with a large stake in the business of insurance.

Mr. Wingett quoted from an address last spring by Paul B. Sommers, president American of Newark, in which it was pointed out that every reduction in the general level of premium rates means an increase in the ratio of necessary and unavoidable expenses to premiums, much of this representing valuable services to policyholders and the general public along lines such as research, loss prevention and arson detection, considerable of which work is included in the agent's commission. Mr. Sommers had stated that agents can meet mutual competition only by understanding the essential difference between mutual and stock systems and justifying their own cost on the basis of service. Mr. Wingett stated that the Pennsylvania association believes the agent is worthy of his hire and warned the companies in advance that it is prepared to deliberate on the subject.

In laying down the reins, Mr. Wingett urged the younger agents to take an active part in the association, since many of the leaders are getting along in years. He warned agents who have leaned to the mutuals for the momentary preservation of business that they will surely destroy themselves if they will continue in that frame of mind. He urged the association not to spread itself too thin, but to decide which matters directly concern the organization and to finish what it starts. He closed his report with a eulogy of former President J. P. Lavelle, Scranton, who died Aug. 27.

Cullen Hits London Lloyds

President Vincent Cullen of the National Surety spoke on competition from unlicensed foreign insurers. He said there is no magic about London Lloyds underwriting, its only price advantage being due to lower living costs under which it operates. Mr. Cullen said if American bankers and industrialists and merchants, who are protected by tariffs from foreign competition, are going to patronize London Lloyds, insurance men might well demand cheaper manufactured goods, which could readily be obtained if it were not for the tariff.

A. R. Menard, assistant director Business Development Office, described the new and complete booklet outlining suggested business development activities.

L. E. Falls, vice-president American of Newark, spoke on the value of an agency.

The annual dinner and dance took place Tuesday evening, at which there was a program of Broadway entertainment. The golf tournaments took place Monday and Tuesday afternoons.

C. F. Moyer, Reading, gave the address of welcome on behalf of the Reading-Berks county association. Vice-president H. M. Albert responded.

Among those at the Pennsylvania meeting who arrived by plane were F. L. Nesbitt, manager Pittsburgh bonding office Standard Accident, and J. K. Payne, member of Hare & Chase, Philadelphia.

Seek Mail Order Regulation

LINCOLN, NEB.—Increased activities of mail order life and casualty companies in Nebraska, with resultant increase in sales, has caused a discussion in Nebraska insurance circles as to possibility of securing some form of regulation. Attorneys have advised that so long as companies using the mail do not violate postal laws, the arm of the state cannot reach them unless they are Nebraska companies. Insurance Director Smrha says it may be necessary for the state to exercise some supervision over the advertising matter sent out, more particularly with reference to the inclusion of financial statements. This could be done by invoking the general powers of the director. Mr. Smrha says he has found no misrepresentation in such advertising as has been called to his attention, but that his criticism goes to what is omitted that prospects should be informed about before determining whether to buy. Five Omaha companies do most of their solicitation and placing through the mails.

Cullen Assails Tariff-Shielded Patrons of Lloyds

(CONTINUED FROM PAGE 23)

am sometimes amazed by this activity, because I wonder why these American agents and brokers are so anxious to accept a reduced commission from a foreign underwriter and to force the American companies to attempt to meet the competition. How will this competition be met? In one way only: By a reduction in rates, which, being the main source of income of an American company, will bring about the reduction of commissions, which in turn will bring reduction in the margin for the agent's office expenses, reduction of his employees' salaries, reduction of wages at the home office of the insurance company, and generally speaking, a reduction in our standard of living.

Suggests Counterattack

This foreign competition is real, it is vital, and if it is going to be supported by American brokers, American agents, American bankers, and American industrialists, then why should we in the insurance business not ask for cheaper clothes, cheaper automobiles, cheaper manufactured goods, and cheaper banking?"

Touching on resident agents' laws, Mr. Cullen warned against the raising of interstate tariff walls in the insurance business, though saying that he felt the issue to be up to the agent and that the National Surety will not take any steps, either individually or jointly with other companies, to contest the constitutionality of any resident agents' law or to make any move against the passing of such laws.

Building Tariff Wall

"In my opinion, the passage of very drastic resident agents' laws is definitely building a tariff wall around each state, and these walls will prevent the free flow of insurance traffic" he said. "It is further my opinion that a drastic resident agents' law does not protect the resident agent. It may, on the surface, seem to give him an advantage on business written in his state, but other states retaliate, and the first thing we know we will all be local agents, and will not be permitted to do business excepting in our own state, thereby definitely creating a European situation which will most certainly bring about friction in our midst."

"It has been said that these resident agents' laws are aimed mainly at the larger brokerage houses and perhaps the large agents in the industrial states but do not believe for a moment that you can correct this situation by these laws. People who have the ability, the aggressiveness, the energy can always become large, can always surmount obstacles placed in their path."

Discusses Mutual Competition

Turning to mutual competition, Mr. Cullen said that it is the definite intention of the mutual companies to take from the stock companies the select lines and to leave them the lines that are troublesome and difficult to handle.

"I would like to point out to you in connection with this mutual competition (and this, of course, is only so far as fidelity and surety business is concerned) that the mutual fellows are smart enough to select only those lines that are susceptible of inexpensive and easy handling, such as brokers' and bankers' blanket bonds, fidelity and commercial blanket bonds, burglary policies, etc." he said. "They are also smart enough not to become involved in the surety end of our business wherein we perform such a great service for American industry, which service, by the way, is not at all appreciated by the insurance public, and I think sometimes is not appreciated by the American agent.

"Can you visualize a mutual company contracting to arrange the court bonds

in every county seat in the United States for a large national manufacturer? Can you imagine a mutual company going into the contract bond business where it is necessary for the agent very often to gather voluminous data, and perhaps spend two-thirds, if not all, of his commission in time and money preparing his case? Can you imagine a mutual attempting to set up an organization that will service its clients in surety matters throughout the country? Certainly not. It is their definite intention to take from the stock companies the select lines and to leave them with the lines that are troublesome and difficult to handle.

"This is a double-edged sword against both the agent and the company, because every time they take from a company its select volume its loss and cost ratio increase, necessarily reducing its profits. It is a vicious circle because it forces the stock companies to increase the rates for the troublesome business, and to attempt to reduce the commissions on those lines in order to make a profit.

Convincing the Assured

"One time I carried a risk of a large utility company and one day, to my amazement it cancelled its fidelity and burglary cover on the ground that it could be placed with a mutual at a substantial reduction in premium. I made a careful analysis of the business and found that we were carrying dozens of different kinds of bonds for this utility company which mutuals could not handle—franchise bonds, lease bonds, blue-sky bonds, bonds filed in court proceedings all over the country, and after making a list of those bonds I called on the president of the utility company and politely asked him to transfer this business to the mutual company.

"He was astounded that I apparently wanted to give up this desirable business and being entirely ignorant of the workings of the company he called the mutual company. They told him that they could not handle the business—that they were not set up to do it. It then suddenly dawned upon him that he had taken away from us our very select lines and was attempting to leave with us the troublesome and expensive lines.

"After discussing the matter with him and explaining the operation of our business he promptly instructed his insurance manager to return to us the fidelity and burglary business at the next renewal date. This has been done. I cite this to call to your attention the fact that so many of us sell our contracts on rate alone. We never attempt to emphasize or demonstrate to the insured the services that can be rendered by an insurance agent and show him that an insurance contract very often cannot be measured in terms of dollars."

Seattle Expected to Cover Liability on Auditorium

SEATTLE, WASH.—Seattle may break a long-established precedent by dropping its self-insurance plan and buying stock insurance, it was indicated following a meeting of the city council. Consideration was given the report of the finance committee, urging the purchase of a \$20,000/\$200,000 public liability policy covering the civic auditorium, stadium and ice arena. The committee pointed out that the civic center is now ten years old and the possibility of serious accidents occurring has increased materially. The president of the council made the observation that one serious accident would cost the city many times the premium for insurance protection. The annual premium approximates \$700. A ordinance is being drafted authorizing the move.

Seattle has long been a self-insurer, paying claims out of general funds. If this precedent is broken, insurance agents and brokers are hopeful that the city will consider a full insurance program covering all of the various operations of the municipality's government.

ALL RISK

BLANKET

COMPREHENSIVE

PUBLIC LIABILITY INSURANCE

Great Lakes Casualty Company

Detroit, Michigan

AGENTS Attention

Do you want a connection with a conservative stock casualty company operating in Delaware, Ohio, Michigan, Pennsylvania and Virginia—a company that is financially solid and that has shown a steady increase in assets since its beginning? If so, write for agency information.

PENNSYLVANIA CASUALTY COMPANY

Lancaster, Pennsylvania

ASSETS \$730,904.00

AMERICAN RE-INSURANCE CO.

Robert C. Ream, President

99 John Street New York

DECEMBER 31st, 1937

CAPITAL	\$ 2,000,000.00
Surplus	3,028,762.81
Voluntary Catastrophe Reserve	500,000.00
Reserve for Losses	4,358,549.45
All Other Liabilities	1,992,463.60
TOTAL ADMITTED ASSETS	11,879,775.86

NOTE: Securities carried at \$363,743.75 in the above statement are deposited as required by law.

CASUALTY • FIDELITY • SURETY

Re-insurance

Massachusetts Bonding Stages Great Celebration

(CONTINUED FROM PAGE 23)

Tuesday morning was devoted to golf, sightseeing and other diversions and the afternoon to a sail on the steamship "Town of Hull" up the north shore as far as Gloucester and about the harbor, followed by a shore dinner at Swampscott on the grounds of the New Ocean house. Another sightseeing tour Wednesday included Lexington, Concord, Sudbury, the Wayside Inn and the north shore.

Banquet Wednesday Evening

The formal dinner Wednesday evening was the high spot of the week. Special guests included C. W. Fairchild, manager Association Casualty & Surety Executives; William Leslie, manager National Bureau of Casualty & Surety Underwriters; Governor of Massachusetts, Mayor Tobin of Boston, Commissioners Lovejoy of Maine, Rouillard of New Hampshire, Harrington of Massachusetts and Blackall of Connecticut. Spencer Welton, vice-president Massachusetts Bonding, was toastmaster. An event of the evening was the presentation of a new portrait of President Falvey, painted by Wilbur Noyes, which will hang in the executive offices in the new building.

F. A. Hubbard Made President of the Hanover and Fulton

(CONTINUED FROM PAGE 3)

ceeded him. When Mr. Hubbard retired from the Hanover in 1923 to go to Florida Mr. Clark succeeded him at the head office and later became president when Mr. Higley died. Before being assistant western manager in 1901 Mr. Hubbard was Illinois state agent and was one of the notable field men of the state. During the time that he was with the Hanover in Chicago he resided at Elgin, Ill., where his father A. H. Hubbard one time had a prominent local agency.

Worked in Father's Agency

Mr. Hubbard as a youth worked in his father's agency representing the Hanover. In 1893 he became a clerk in the supply department of the western office of the Sun at Chicago. A year later he went with the western department of the Hanover when H. P. Gray was manager. He became state agent in Illinois in 1897 after having a course of training in the underwriting department in the western office. It can thus be seen that the greater span of his business life has been with the Hanover.

Did Good Piece of Work

Mr. Hubbard joined the Hanover when it established its western department in Chicago and in addition to serving as field man in Illinois he traveled in Kentucky and also had St. Louis. Mr. Hubbard was elected a director of the Hanover and Fulton at the meeting this week.

In assuming the presidency of the

Globe and Rutgers Mr. Hubbard was confronted with one of the most difficult tasks ever undertaken by a fire company executive, viz, recreating confidence in an institution that had been all but wrecked by the financial debacle of 1929, and of securing for it a recognized position in the insurance field. New capital having been secured in liberal amount, Mr. Hubbard outlined a sane underwriting policy along thoroughly approved lines; gathered about him a seasoned office field and local agency staff and the company moved forward steadily, gaining increasing favor with the underwriting fraternity. It is expected Mr. Hubbard will assume his new connection about Oct. 1.

Pink Sets Forth New York Policy

(CONTINUED FROM PAGE 4)

the National Association of Insurance Commissioners, the following examinations of New York companies have been completed with the states indicated participating at the invitation of Superintendent Pink: Home Life, West Virginia and Mississippi; Manhattan Life, Texas; Metropolitan Life, Indiana, Tennessee, Texas, California and the District of Columbia; United States Life, Pennsylvania; British General and Union Assurance, Missouri. The Ohio department participated in the examination of the Auto Mutual Indemnity.

Pink Asks Extension of Group A. & H. Coverages

(CONTINUED FROM PAGE 24)

Other recommendations listed include: Establishment of basic rules for rate-making in order to promote consistency in the application of rate-making principles to the various kinds of insurance.

Clarification of requirements for authorized insurers to file annually a statistical report showing a classification schedule of their premiums and losses on all kinds of insurance to which section 73 is applicable.

Explicit power for the superintendent to establish or approve rating formulas for all classes of risks subject to rate regulation.

Extension of superintendent's jurisdiction over rates which would require the filing of rates on those types of inland transportation insurance known as domestic shipments, personal effects floater and personal property floaters.

Massachusetts Bonding and President T. J. Falvey

(CONTINUED FROM PAGE 23)

public official and depository bonds and is among the best known of the men who pioneered in this field. He belongs to the family which gave to the United States two of its best known naval leaders, Admiral Matthew Perry, the American who created friendship with Japan for the United States, and Oliver Hazard Perry, the hero of the battle on Lake Erie. Mr. Perry had been with the American Surety for 16 years before the organization of the Massachusetts Bonding. A New Englander by birth, coming from Manchester, N. H.,

he welcomed an opportunity to come back to New England when he was offered a place with the newly organized company.

Another man who has been with the president from the very beginning is C. G. Fitzgerald, vice-president supervising contract bonding lines. Fitzgerald is a name which is politically known in Boston and C. G. belongs to that family. His cousin, John F. Fitzgerald, is a former mayor of Boston. "C. G." as he is familiarly known, is a graduate of the Harvard Law School and began private practice but not long after beginning in that field, he took a case representing a surety company, became acquainted with T. J. Falvey and the Massachusetts Bonding has been his sole business interest from that day.

Other Pioneer Falvey Men

Seven years after the company started, Vice-president H. W. Hovey entered its employ after experience in the surety field in New York City. He has charge of liability and burglary claims. He is legally known as preeminent on negligence litigation. Mr. Hovey is a native of Vermont and a graduate of Dartmouth.

Superintendent of Agents R. C. Denormandie came to the company from the Boston & Maine Railroad. He has naturally a very wide acquaintance with the agents of the company. Many of the other men in the company have been with it for many years and have assisted Mr. Falvey in building the Massachusetts Bonding. It is a notable fact that so many have been with the company from the days of its first office at 77 State street and as it moved from larger quarters to larger quarters culminating in the present building on Postoffice Square.

Human Qualities Revealed

Within the last year Mr. Falvey, writing for the "Concentrator," house organ of the company, has been revealing his human qualities in a monthly message, well written and marked by a catholicity of view and feeling. Here is part of one of these messages penned by Mr. Falvey last spring:

"Spring, in all its glory of budding trees and bursting blossoms, warm, zephyrlike breezes and brilliant days, comes again not only to delight our senses but to restore confidence to jaded spirits. When we look too long upon the folly of men, the clashes of nations, the futility of politicians and self-styled economists in their efforts to control and direct mighty natural forces, we are astounded. Then the future looks black, indeed, and he whose thoughts confine themselves to this revolting picture is bereft of hope, purpose and incentive to go out and delve."

Significance of Spring

"But who is so blind, so preoccupied, so impervious as to be unaffected by the significance of spring? Nature flings her colorful mantle across the land with promise of harvest to come—of bounty beyond measure. We are reminded that man and man made confusion are puny things—that great immutable forces direct our destinies—that Springtime, arriving inexorably in the never changing procession of the seasons, is a marvel of a vast orderliness which is unchangeable."

"Such contemplations should put to shame those who, in their egotism, or with selfish purpose, so woefully bungle the affairs of men and of nations. Our hope lies in the fact that mankind, by and large, slowly at times, but relentlessly, none the less, appraises motives and results correctly and by force of united opinion applies necessary remedies."

Must Watch Undermining Influences on Agencies

(CONTINUED FROM PAGE 3)

nance of the foundations on which the value of insurance agencies rest. Some agents who represent mutuals never tell

a trusting assured the difference between the two types of carriers and the contingent liability of mutuals. Mr. Falls pointed out that the associations of seven populous states have rendered a constructive service to the business by denying membership to agents who represent other than stock companies and expressed the hope that the Pennsylvania association would follow the same practice.

Joseph A. Kelsey, Veteran Fire Underwriter, Dead

(CONTINUED FROM PAGE 8)

the family physician who ordered him to stay at home for a few days. Death came to him in his sleep. Funeral services will be held at the family residence on Friday. Surviving in addition to the widow, are a son, Allison S. and a daughter Miss Margaret. Aside from H. N. and P. T. there is a third brother Benjamin C. Kelsey, of Eilvadal, Wash.

Vice-president Love Returns

NEW YORK—John S. Love, vice-president and secretary of the Home Indemnity, has returned from an extended agency trip along the Pacific Coast, in the course of which, after stopping en route at Chicago, Omaha, Denver and other intermediate points, he went as far south as Los Angeles and north to Seattle, contacting state and general agents at all major centers. His first trip west of Denver, Mr. Love was impressed with general conditions and business-getting possibilities along the Pacific Coast and with the intelligently aggressive attitude of agents in that section of country.

Central Mutual Case Postponed

Action on the liquidation proceedings filed against Central Mutual Plate Glass of Chicago was postponed until next Tuesday by Superior Judge Williams of Cook county. The continuance was requested by Myer Rosengard, attorney for the company, to allow more time to answer the charges of the insurance department that the company is unable to meet the surplus requirements of the Illinois code. The action was brought by the attorney general at the request of Insurance Director Palmer of Illinois.

L. U. Jeffries a Speaker

L. U. Jeffries, warden of the Ohio department of insurance, addressed the Columbus Health & Accident Club at its first meeting of the fall season. His topic was "Pending Legislation." There was a large attendance and indications of a very successful year, President C. A. Scholl reported.

McNeil is Made President

COLUMBUS, O.—C. W. McNeil, American Surety, Columbus, was elected president of the Ohio Association of Casualty & Surety Managers to succeed R. E. Mathews of Cincinnati, at a meeting in Columbus Tuesday. Mr. Mathews has resigned from the association because of his change in business. He is now associated with Ohio Casualty. C. C. Laffer, who has gone with Continental Casualty, also has withdrawn from the association.

C. L. Krum, Aetna Casualty, Cleveland, presided.

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POINTERS FOR LOCAL AGENTS

C. H. Smith Gives Motivating U. & O. Message

Use and occupancy offers the best opportunity for the insurance agent today, according to C. H. Smith of Smith & Wheeler, Chicago, western managers of Hartford Fire, who addressed the annual meeting of the Iowa Association of Insurance Agents in Sioux City. Mr. Smith spoke with authority, for he has been a foremost student of the line for years. His presentation of the subject was in logical style. It was a motivating message and it is a safe guess that a good many of those in the audience will make a U. & O. sales effort because of its stimulation.

There are more U. & O. values that are unprotected by insurance than any other values and the coverage is easier to sell, he asserted.

"Have you, in your town," he asked, "any business that is making a profit, that is being conducted in a property that you would be willing to insure and that has the earmarks of being permanent? If so, then you have a prospect for U. & O. unless he already carries it and the chances are he does not."

No Reason to Be Scared

Much mystery has been thrown about U. & O., Mr. Smith observed, but there is no reason for the producer to be scared. He doesn't need to know the intricacies of the form. "You don't discuss the conditions of the standard fire policy when you sell direct insurance," he remarked.

"All you need to know is that U. & O. is insurance that covers the actual loss sustained by interruption of business due to the hazard insured against."

The acid test to determine whether coverage is provided, according to Mr. Smith, is:

1. Was a loss suffered?
2. Was the loss caused by interruption of business?
3. Was the interruption caused directly by the hazard insured against?
4. Is there enough insurance?

Form Is Simple

The form, Mr. Smith said, is simple. No matter what changes may be made in the future, all forms will follow the same line. The only change will be that of verbiage.

The coverage clause tells what is covered. Then there are some definitions, such as the one setting forth the loss that is covered—net profits and expenses that must continue. The statement is thrown in that the insurer will pay an amount spent to reduce the loss. That is really unnecessary, he pointed out. "Who wouldn't spend \$20 to save \$100?" he asked.

In the form for manufacturers there is the clause referring to finished stock. Mr. Smith pointed out that destruction of finished stock can't interrupt the business of manufacturing.

Two clauses that appear, he said, are merely a rewriting of the clause in the standard fire policy requiring the assured to take precautions to reduce the loss. Those are the clauses requiring the U. & O. assured to resume operations as soon as possible and to use surplus stock that may be available.

Then there is the clause that establishes relationship between values and amount of insurance. There is the co-insurance clause which is similar to the coinsurance clause in direct property damage policies. There is the old per diem form with total and partial sus-

pension clauses. Under the total clause the amount of insurance is divided with specific insurance on each day or week. The partial clause, he said, acts like a 100 percent coinsurance clause.

The coinsurance clause is based upon a percentage of the gross profits whereas the per diem form is based upon the amount the assured would lose if he suffered total suspension for a year.

Rarely does an assured, Mr. Smith said, ask questions, that requires the agent to know anything except that U. & O. is insurance that covers the actual loss sustained by interruption of business by the hazard insured against.

Rate on Small Properties

The allegation, he said, is not true that small properties are rated too high. It is a fact that small properties can be rebuilt more quickly than larger ones, but the small property is more likely to suffer serious loss. For instance, a sizable department store can continue operations by petitioning off an area that is damaged. The little fellow will have more frequently important losses in comparison with his insurance. Time to replace is only one factor.

Mr. Smith denied the charge that U. & O. rates in general are too high. "No one," he declared, "can prove that they are too high. The record on U. & O. is no better than on other types of insurance." He quoted Harry Grider, manager of Western Factory, as saying that U. & O. insurance is not an attractive proposition to Western Factory today because the U. & O. losses are running higher than the direct property damage losses.

Before making a sales presentation, Mr. Smith recommended that the agent learn the rate. "Then go out and sell it."

Assured Knows the Hazard

"You don't have to sell the prospect the idea that he can have a loss. He already carries property insurance and therefore knows that he can have a loss. That is a big advantage. Don't talk about the hazard at all. Talk about the fact that when (when, not if) a loss occurs there will be an important loss from interruption of business.

"Sit down with the prospect and figure with him where he would be if his plant had burned down last night. Ask him: 'Where would you be if your plant were lying in ashes this morning? What would your total sales have been this year? What would be your income from your business this year?' Borrow a piece of paper from the prospect (that is good sales psychology) and start putting down some figures in two columns. In one column put down the various items of expense in the business that occur in ordinary times and in the second put the amount of expenses that will continue in a shut down. Ask him what the pay roll is and what part will have to continue. There is the matter of his own salary and that of all the officers together with that of key men and those under contract. Find the amount of ordinary payroll and the amount that he would continue for 90 days but not more.

"Interest is an item of expense that will continue. So are taxes, except the portion that is based on payroll. Advertising expenses will continue if it is under contract. If the prospect is an operator that is dealing with a national

trade he must continue his advertising, so that the public will continue to call for his product and the interest of retailers maintained. Insurance premiums other than workmen's compensation will continue. Excess profits taxes will continue if there is insurance recovery. Donations will continue, because if solicitors know that insurance was collected they will be even more determined.

Light, Heat and Power

"The matter of light, heat and power is important.

"Follow the client's bookkeeping system. Take up the items as they appear in his books. Don't be afraid to ask questions.

"When you have all these figures, you have one more item—net profit. Subtract from the gross profit all expenses.

"When you get to this point, the prospect is usually sold. If you think he is sold decide which form he should have, figure the amount of insurance. Tell him you will write so much insurance for so much premium and then say good-bye.

"If he is not sold, you can bring out some additional arguments. You can say that the expenses that continue will be several times the profit. I know of one firm where the ratio was 12 to 1. That means that in six months a suspension will eat up the profits of 12 six-month periods.

"You can say that by failing to insure the man is jeopardizing his assets. Surplus is the result of a life time's work. It could be wiped out by a six or eight months' suspension of business. You are offering insurance to enable him to maintain surplus. You are guaranteeing continuance of dividends to stockholders. The assured is showing discrimination in favor of property value if he doesn't carry U. & O. The only purpose of having buildings is to make a profit. Forty-five percent of all firms that have a total fire loss never rebuild."

Daily Report File Unit

Much Used in Agencies

THE NATIONAL UNDERWRITER sells the daily report filing unit which is a convenient and accurate process for handling duplicate daily reports. THE NATIONAL UNDERWRITER recommends for practically all offices the plan of filing according to date of expiration with a separate folder each month for each company expiration. Under this plan the dailies are brought forward automatically at the one time when they are sure to be needed. It furnishes a reliable secondary check on expirations and keeps the dailies of each company together. Under this plan one folder is required for each company represented, for each month, or 60 in all for five years expiration. Five sets of monthly cards are required and a set of yearly guide cards. The folders are tabbed and the tabs printed to provide space for name of company and month and year of expiration.

For letter size, the cost per 100 is \$2.25 and for 500, \$9. For legal cap size, \$3.75 per 100 and \$15 for 500. For the monthly guide the cost of 12 letter size is \$1.60 and for legal size, \$1.75. For the yearly guide, metal tabs for a set of six, letter size, \$1.25 and for legal caps, \$1.50.

For a complete unit, the combination D1 for five companies with 200 company folders, 60 monthly guides, six yearly guides, the cost for letter size is \$13.25 and for legal cap, \$16.80. D2 for 10 companies, 400 company folders, 60 monthly guides, six yearly guides, the cost is \$16.65 for letter size and \$22.40 for legal caps. D3 for 15 companies, 600

ANSWERS

Question—On a number of different occasions we have noticed the use of the verb "avoid" in connection with insurance policies because of fraudulent misrepresentation, etc. A few days ago, we had placed in our hands a sample personal accident policy which stated that "misrepresentation with intent to defraud would avoid the policy." We called the matter to the attention of the general agent of the company who readily admitted that it was an improper use of the verb. In reading your article, "Reveals Story of Auto Sit-Down Strike Loss" in the July 28 issue of NATIONAL UNDERWRITER, we note that you use the same verb and the noun "avoidance" in the same way, i.e. with reference to misrepresentation. In referring to Funk & Wagnalls dictionary we note a distinct difference in the definition of the two verbs "void" and "avoid," and we are wondering if the use of the verb "avoid" in an insurance policy is correct when it would not be correct in other conditions.

Answer—Apparently the lawyers can't be convicted this time of distorting the English language. One of the definitions given by Webster's New International Dictionary for the word "void" used as a transitive verb is: "To make void, to annul or vacate, to refute." Another paragraph of definitions reads: "Pleading; to defeat or evade; to invalidate."

Question—Kindly give us names of companies writing insurance under the Illinois liquor control law.

Answer—As far as we know companies writing this coverage outside of London Lloyds and a few mutuals include Car & General, Continental Casualty, Zurich, St. Paul Mercury and Western of Fort Scott, Kan. There are also four bureau companies, Fidelity & Casualty, London Guarantee, U. S. F. & G. and Maryland Casualty. It is understood these four bureau companies write very little business and will do so only in those instances in which it is found necessary to hold other business.

Question—Your March 24, 1938, issue contains an exhibit of development of loss experience for public liability and workmen's compensation. This information was filed by the casualty companies licensed in New York state.

Do you have or do you know where we could secure a publication giving this information on all lines for all casualty companies doing business in New York state?

Answer—An exhibit of development of loss experience for casualty lines other than public liability and compensation is not included in the annual statement blank and as a matter of fact, the development is significant only in those lines where there is overhanging liability, such as in public liability and workmen's compensation insurance. The same factors are not involved in the other lines, such as burglary, etc. It was three years ago that the convention statement blank was changed to include sections 5 and 5A, which are the ones that set forth the development of loss experience in liability and compensation insurance.

company folders, 60 monthly guides and six yearly guides, the cost for letter size is \$19.95 and legal cap size \$27.95.

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FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Kansas Meet Set for Oct. 5-7

E. D. Lawson, Frank E. O'Brien and C. W. Bean Among Headliners—Special Breakfast for Women

WICHITA—Frank T. Priest, program chairman for the annual convention of the Kansas Association of Insurance Agents to be held in Wichita Oct. 5-7, announces the completion of the program following a conference with President Glen D. Hussey and Secretary Wade Patton.

A new feature will include a breakfast conference for insurance women with the new Insurance Women of Wichita in charge. The annual golf tournament opens the gathering Oct. 5 in the afternoon at Crestview Country Club with the prizes to be distributed that night at the annual stag smoker given by the Central States Fire. The main program is confined to Oct. 6 for the benefit of any that can attend only one day. Committee reports and the annual election complete the program on Oct. 7 and follow the three breakfast conferences. A. E. Smoll, chairman registration committee, expects at least 500 to attend. Company men are invited to attend all sessions. The main sessions will be held at the Lassen Hotel.

The complete program follows:

Oct. 5

11 a. m.—Registration.
1 p. m.—Golf, Crestview Country Club.
6 p. m.—Dinner, state executive committee and past presidents.
8 p. m.—Smoker.

Oct. 6, Morning

9:30 a. m.—Call to order, President Glen D. Hussey, Topeka.
Welcome, Howard N. Fullington, president Wichita Insurors.
"Where Are We Going?" and "How?" Bert E. Mitchner, Hutchinson.
"Auto Financing," Lloyd Ferrell, Wichita.
National councilor's report, H. O. Tinklepaugh, Kansas City.
"Marine Opportunities," E. D. Lawson, western manager Fireman's Fund.
B. D. O. Report, Alex Case, Marion.
"The Value of an Insurance Agency," C. W. Bean, America Fore.
Ladies Luncheon, Innes Tea Room.

Afternoon

2 p. m.—"The National Association," R. W. Forshay.
Commissioner Hobbs.
"Opportunities in Casualty Insurance," Frank E. O'Brien, vice-president Fidelity & Casualty.
"The Financial Responsibility Law," Senator Kirke W. Dale.
"Stock Company Association and HOLC," R. D. Voss.
"State Insurance Committee," Will S. Thompson, Hutchinson.
Presentation of state association cup, F. T. Priest, Wichita.
7:30 p. m.—Annual banquet, President Glen D. Hussey, presiding (entertainment and dancing following).

Oct. 7

8:00 a. m.—Breakfast conferences.
(a) Rural and Farm Agents, R. W. Forshay, Anita, Ia., and Alex Case, chairmen.

(b) Agents from Local Board Towns, "What Does a Local Board Do to Promote Business for Its Members?" Harry Davis, Hutchinson.

(c) Insurance Women, Lillian Thompson, Wichita.

10 a. m.—Convention session.

Report of legislative committee, S. H. Reynolds; report of farm committee, Ross Case; report of resolutions committee.

Unfinished business, new business.
Report nominating committee.
Election of officers.

John C. Pfister, 83, president of the New Holstein Mutual Fire, died from a heart attack at his home in Hayton, Wis.

Missouri Institute Courses

Plan for 1938-1939 Studies in Fire, Casualty, Inland Marine and Surety With Courses Starting Sept. 26

ST. LOUIS.—The Insurance Institute of Missouri has announced plans for its 1938-39 course of study. There will be classes in five subjects: Fire insurance—First year study, 30 weeks, two semesters; Second year, 30 weeks, two semesters. Casualty—first year, 30 weeks, two semesters, and second year, 30 weeks, two semesters. Inland marine and transportation—30 weeks, two semesters. Fidelity and surety—30 weeks, two semesters. Surety graduate work, only students having completed surety course eligible—15 weeks in second semester. Business development and sales—15 weeks in first semester.

Classes are held Mondays, Tuesdays and Thursdays. The opening class for the first semester will be on Sept. 26, and the first class for the second semester will be on Jan. 16. Students may pursue any two subjects by keeping their selection of subjects consistent with the schedule of classes arranged by the school.

Certificates of credit will be granted for the completion of a single subject. Diplomas will be granted for the completion of the four subjects, fire, casualty, marine and surety. A special credit will be given for the graduate course in surety.

The tuition fee is to be \$10 per course per year, regardless of the number of weeks required for the subject.

Oil Developments in Southern Illinois

Oil developments around Centralia, Olney and Vandalia, Ill., are presenting a problem to underwriters as large oil refinery lines are being submitted to the companies. The lines are large, and of an experimental, speculative nature, in some degree, causing considerable concern to those called upon to assume the liability. There seems to be a question about the feasibility of the Oil Association entering the picture in this new oil territory in Illinois. At any rate, a new market for insurance has been created in southern Illinois.

Milwaukee Fire, Casualty Courses

MILWAUKEE—Classes will be resumed Sept. 19 in the casualty insurance course Sept. 23 in the fire insurance course offered by the University of Wisconsin extension division. W. F. Koch, of Dick & Reutman Co., is instructor of the casualty and surety course. It will enable the student to qualify for the Insurance Institute of America examinations.

C. J. Jens of Leedon, O'Connor & Noyes, will instruct the fire insurance course, designed for the student without technical background.

Honor Magill in Milwaukee

MILWAUKEE—Tribute was paid to H. P. Magill, president and treasurer of the Mutual Church & Home of Milwaukee at a luncheon arranged here by officials of the Mutual Reinsurance Bureau of Belvidere, Ill., on his retirement as chairman of the management committee of the bureau, of which he is one of the founders. Donald A. Tripp, bureau manager, and E. H. Tripp, secretary were here for the luncheon.

Mr. Magill recently resigned all other connections to devote his full time to

the Mutual Church & Home. Adna Leonard, Jr., formerly of Los Angeles, has been named vice-president and manager of that company.

Indiana Meeting at French Lick

After a referendum vote, French Lick Springs has been selected for the annual meeting of the Indiana Association of Insurance Agents Oct. 26-27. A record attendance is expected. The membership is now about 600, the largest in the history of the association. Over 60 percent of the members showed sufficient interest in the meeting place to return the referendum cards.

Tiffin, O., Agencies Merged

The Garrett & Felton agency, Tiffin, O., has taken over the Edward C. May agency, established in 1899 by the late Edward C. May and for the last five years managed by his son, C. E. May, who has joined the Insurance Audit & Inspection Company of Indianapolis.

Toledo District Meeting Oct. 11

The Toledo district of the Ohio Association of Insurance Agents will hold a meeting in Toledo Oct. 11 to nominate a trustee of the state association. The present trustee is Paul Kridler of Fremont.

Hammond Agents' Outing

The annual field day put on by Hammond (Ind.) Insurance Agents Association is being held Sept. 15. A large number of state and special agents of fire and casualty companies are attending.

Lou Parsons Gets Contract

OMAHA—Lou E. Parsons, who has been with E. J. Radbourne of Kansas City for six years and who has been in the business eight years, has taken over the general agency of National American Fire of Omaha for Missouri, including St. Louis.

Kansas August Loss Heavy

Kansas fire losses for August were up over 100 percent over August, 1937, and July, 1938, totaling \$312,182, the largest month's total so far this year. The August increase was due largely to the burning of the large Ismert-Hincke flour mill in Kansas City, which was insured entirely in the mutuals.

City losses were \$246,509 and country losses \$64,673.

Minnesota Extension Courses

MINNEAPOLIS—Three courses in insurance are being offered the coming year in the extension department of the University of Minnesota. The first semester, opening Sept. 26, will be a course in general insurance in charge of P. H. Ware, secretary Minnesota Association of Insurance Agents, and a course in fire and marine insurance in charge of Louis L. Law, state agent London Assurance.

Wheat Loans in Michigan

LANSING, MICH.—Filing is expected this week of a 75-cent rate for coverage of wheat stored as collateral for Commodity Credit Corporation loans under a new law permitting the writing of a value policy to protect the CCC for the full amount of any loan. Gov. Murphy has signed the act.

Big Loss in Willys Plant

Loss estimated at \$125,000 was caused by fire that destroyed 10 factory buildings in the old Willys-Overland plant in Toledo. The owner was the Willys Real Estate Realization Corporation, which is liquidating these properties. An acetylene torch had been used in dismantling operations at a point near

where the fire is believed to have started. The line was evenly divided between Michigan F. & M., Philadelphia F. & M., and Standard of Hartford.

Wichita Women Hear Fergus

WICHITA, KAN.—At the first regular luncheon meeting of the Insurance Women of Wichita since the organization meeting in August, Ewing B. Fergus, branch manager of Kansas Inspection Bureau, was speaker. Miss Bernadene Faulk of Dulaney, Johnston & Priest, president, announced that the organization would hold a breakfast meeting during the Kansas Association of Insurance Agents convention Oct. 7 with Lillian Thompson of Harris, Burns & Co. as chairman.

Rules on Assessment Notes

LINCOLN, NEB.—Insurance Director Smrha, interpreting an amendment to the new hail assessment insurance company law, holds that the requirement that each company submit yearly a list of all premium notes unpaid for more than 12 months, applies only to going concerns. The provision is not applicable to associations that are in process of liquidation or in a status calling for liquidation.

Charter Trumbull County Board

The Trumbull County Insurance Board has been incorporated and headquarters will be at Warren O. Trustees include John Greenwood, Warren; John Davis, Newton Falls; Harvey Kistler, Niles; J. B. Wollam, Cortland; O. B. Byrnes and Isaac Griffith, Girard.

Report on Foreign Brokerage

COLUMBUS—The Ohio department reports that a cursory examination of filings made on business from foreign brokers countersigned by field men as licensed resident agents reveals that they have affixed their signatures to policies and certificates with a premium volume of \$4,625,286 for the period embraced in the report. The report says the analysis reveals a number of instances in which there may be violations of the law, but that the department has no desire to take punitive action. It will make a careful examination of the information filed and then take steps to see that hereafter foreign brokerage is written in accordance with the law.

Prevention Booth at State Fair

The Hutchinson (Kan.) Insurance Board is sponsoring a fire prevention booth and demonstration at the Kansas state fair in Hutchinson next week. Denzil Lowe of the Wade Patton agency is chairman. The Kansas Fire Prevention Association and the state fire marshal's office are assisting with the booth.

Danziger Ottumwa Speaker

OTTUMWA, Ia.—A. J. Danziger, special agent Crum & Forster, Des Moines, spoke before the Rotary Club here on "Behind the Scenes in Fire Insurance." He discussed the work of the National Board and the Underwriters' Laboratories.

Would Require Loss Reserves

LINCOLN, NEB.—The Nebraska department is giving its backing to a proposal to require all assessment companies to put up reserves for the payment of losses. Experience of the last few years with a number of such companies has convinced Director Smrha and Attorney Logan that full protection to buyers cannot otherwise be given. That some of these companies are organized largely for the purpose of creating salaried positions is regarded as evident, and so long as they are able to meet loss payments out of income,

the department is powerless to do anything. An examination of one of these showed less than \$3 in cash in bank and borrowings of \$3,700. The statutes, however, gave the department no authority to order a rehabilitation or halt its doing business.

Adjust Kalamazoo Difficulties

KALAMAZOO, MICH.—A number of local difficulties which were tending to hamper development of the local board and its cooperation with the Michigan Association of Insurance Agents were adjusted satisfactorily at a meeting attended by W. O. Hildebrand, secretary of the state organization.

There was considerable discussion of the "in or out" rule, which is being applied by the Kalamazoo association, in conformity with state association policy. The local board reported good cooperation with the companies relative to the separation problem.

New Local Board at Winona

WINONA, MINN.—Repeated efforts to organize a local board here culminated in the formal organization of the Insurors Association of Winona affiliated with the Minnesota National Association.



HERE ARE MANY splendid advantages offered to an agent who represents The Charter Oak Fire Insurance Company.

The unique engineering and inspection facilities of the Travelers Organization, of which this Company is a part, are genuine assets to the insurance man and his clients.

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ciation of Insurance Agents. Officers are: A. Bruce Clark, Clark & Clark, president; L. A. Slaggie, vice-president; B. J. Hoepner, secretary, and George Kissling, treasurer. The executive committee is composed of P. J. Hardt, E. N. Rietz and B. R. Nevius. Formation of the Winona group was aided by F. S. Preston, national councillor, and P. H. Ware, secretary Minnesota Association of Insurance Agents, both of Minneapolis.

Place Sewage Plant Cover

LANSING, MICH.—The Lansing city council has awarded to the Lansing Association of Insurance Agents the coverage on the recently completed municipal sewage and garbage disposal plant. The line will amount to slightly under a million dollars. The local board has relatively little other city business, only writing the contagious disease hospital and certain official bonds. The disposal plant's construction is most modern and fire-resisting but there is a hazard connected with the fact that wastes are converted into gas which is used in operating the plant.

Luikart Agency Manager

Gordon A. Luikart has been appointed general manager of the Waco Insurance Service Company, an adjunct of the Woodmen Accident group, with offices in the Woodmen Accident building.

IN THE SOUTHERN STATES

Holds Goodpaster Can't Act on Whisky Rate Issue

FRANKFORT, KY.—In response to an inquiry from Commissioner Goodpaster of Kentucky, the attorney-general's office gives the opinion that the differential between the rate on brick whisky warehouses and frame iron clad warehouses does not constitute a discrimination such as would give the department authority to demand or direct a correction.

This issue was raised some time ago by Adolph Reutlinger, president of Liberty Fire of Louisville.

Mr. Goodpaster, in writing to the attorney-general, said the rate on brick warehouses is 55 cents and on frame iron clad warehouses it is 75 cents and the question has been raised whether this is discriminatory.

"I, like you," the attorney-general responded, "am of the opinion that the differential is entirely too great but I doubt very seriously whether there is a discrimination in the rates such as would give you authority to demand or direct a correction. However, I feel sure that the decision you will make will cause the insurance companies to take some step toward an adjustment of these rates."

Galveston Board 60 Years Old

GALVESTON, TEX.—The Galveston Insurance Board, the oldest local board in Texas, celebrated its 60th anniversary a few days ago. The organization now includes 31 leading agencies.

Arthur Grigg is president and Lawrence Dorsey, secretary.

Denies Virginia Agent License

RICHMOND.—Superintendent Bowles of Virginia has denied renewal of the license of J. L. Story, operating as the Commercial Insurance Agency of Portsmouth, because he allegedly wrote a policy in the non-admitted National Mutual of Washington, D. C., covering two trucks operated by C. G. White and E. L. Cooper of Norfolk between Florida and New York. The action was based on an affidavit of White and Cooper certifying that Story wrote the policy which covered the trucks for liability and property damage. They said in the affidavit that they thought that the insurance was to be placed in

ing, Lincoln, Neb. He is a son of E. H. Luikart, former state banking superintendent and as such head of the state insurance department for four years. Gordon Luikart was formerly with the Federal Trust Insurance Agency, but for the last five years has conducted his own agency, which is consolidated with the Waco agency.

Nebraska Outlook Disheartening

OMAHA—Insurance people as well as all other Nebraskans were disheartened by the federal estimate of the corn crop, based on Sept. 1 conditions. The estimate showed that in just one month the crop had deteriorated almost 50 percent. The estimate on Sept. 1 was for a crop of 97,812,000 bushels, whereas the Aug. 1 forecast was 187,800,000 bushels.

The dry, hot winds during the first two weeks in August are blamed for the deterioration. The rains that came last week although torrential, were of practically no value to the corn crop.

Nebraskans were particularly disheartened, because they had been counting upon a good crop this year, after having had four poor years.

At least one of the life companies that was preparing to cultivate the Nebraska field strenuously just at this time has abandoned that activity and has shifted its attention to Iowa where the corn crop estimate was not reduced from the Aug. 1 forecast.

a company domesticated in Virginia. The policy, according to the records, was issued in 1936. Story appealed to the state corporation commission. The case came up before that body for a hearing but was continued to give both sides time in which to summon more witnesses.

Oklahoma Regional Meetings

OKLAHOMA CITY—At a meeting of the executive committee of the Oklahoma Association of Insurors, it was decided to hold four regional meetings in October and November. No dates or places were set.

L. J. McCoy, manager, and either President John J. Moffat or Vice-President Harry Frantz will represent the association at the National Association of Insurance Agents convention at St. Paul. Herbert Heiman, president, and Leland Booth, secretary of the Oklahoma City Insurance Exchange, will represent the exchange at St. Paul.

Virginia Group Meeting

A group meeting of the Virginia Association of Insurance Agents will be held at Winchester Sept. 19. Agents of that city as well as Leesburg, Front Royal and Woodstock will attend. Speakers will include O. H. West, manager of the state association; Roger Clark, Fredericksburg; W. Morrell Stone, Alexandria; John D. Crowle, Staunton.

Nashville Women Meet

NASHVILLE, TENN.—The Nashville Association of Insurance Women held its September meeting with Miss Ethel Holman presiding. Following luncheon a contest was won by Mrs. Annie Mai Haley.

Sweeney's Effective Advertising

The Sweeney & Co. agency of Louisville, which for years has been engaging in direct mail advertising activity, has attracted considerable attention with its new four-page folder entitled "Reduce the Cost." It contains a list of 200 or so assured, giving their addresses and a statement as to the savings effected in their insurance cost by the Sweeney & Co. agency. On one page appears a National Board stock company advertisement.

Mr. Sweeney believes there is ample

material for instructive and forceful copy in every phase of agency activity; cases concerning rate reduction and properly drawn contracts, prompt handling and settlement of losses, stressing the importance of dealing with sound carriers and the introduction of new and important coverages. Mr. Sweeney states that he depends almost entirely on first class direct mail advertising to secure prospects. That leaves him free to devote his time to interests of his policyholders instead of in promiscuous calling.

Sponsor Lectures in Miami

MIAMI, FLA.—President W. B. Buchanan, of the Greater Miami Insurance Board, announces that the organization will sponsor a series of lectures during the winter, following somewhat the plans of the Hollywood insurance school in July. The first will be Oct. 21, on workmen's compensation. The second meeting will cover boiler and machinery insurance. The meetings will be in the evenings.

Big Georgia Delegation

AUGUSTA, GA.—A record delegation from Georgia is expected to attend the convention of the National Association of Insurance Agents in St. Paul. Among those going are A. A. Cooper, Rome, president Georgia association; Irwin Wootton, Atlanta, secretary; R. W. Michael, manager Firemen's Fund; W. Eugene Harrington, Atlanta; Sidney O. Smith, Gainesville; H. C. Arnall, Newnan; J. B. Murray, W. J. Heffernan, Jr., C. H. Cohen and Scott Nixon, all of Augusta.

Southern News Notes

The recently organized local board in JACKSON, TENN., has been chartered. A. V. Patton is president.

H. C. Eve, manager of the J. V. H. Allen & Co. agency, AUGUSTA, GA., is back at his office after a lengthy illness.

COAST

Montana Local Agents' Meet

Program Is Announced for the Annual Convention To Be Held at Anaconda This Week

The Montana Association of Insurance Agents has announced its program for the annual meeting to be held at the Montana hotel, Anaconda, Sept. 16-17. B. H. Jennings of Anaconda is president; Dean Stanley, Great Falls, vice-president; F. C. Krieg, Billings, secretary-treasurer, and E. E. McMahon of Bozeman, national councillor. The regional vice-presidents are O. M. Christinson, Glasgow; E. F. Dickinson,

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Kalispell, and J. A. Liggett, Roundup. The officers and Irvine Bennett of Missoula, immediate past president, C. R. Lowery, Great Falls, E. L. Heidel of Bozeman, E. E. Tiffany, Billings, Arnold Huppert, Livingston, and M. J. Kelly of Anaconda, who is convention chairman, constitute the executive committee. Mrs. M. J. Kelly is chairman of the ladies committee, being assisted by Mrs. E. J. Bowman, Mrs. C. E. Avery, Mrs. F. M. Davidson, Mrs. F. J. McGreevey and Mrs. B. H. Jennings.

The program is as follows:

Friday Morning, Sept. 16

Roll call, F. C. Krieg, secretary. Address of welcome, T. J. McCarvel, mayor of Anaconda.

Response, Irvine Bennett, Missoula. Introduction of distinguished guests, company executives, and members of host association.

Address, H. H. Osborn, assistant manager North British & Mercantile, San Francisco.

10:30 a. m.—President's report.

Secretary-treasurer's report.

Reports of standing committees: Business Development, S. M. West, Billings; fire prevention, P. J. McGreevey, Anaconda; life underwriters contact, E. L. Heidel, Bozeman; safety, T. B. Miller, Jr., Helena; rural agents, K. W. Haviland, Deer Lodge.

Report of Montana Special Agents Association, M. S. Williams, president, Butte.

Report of Montana Casualty Executives Association, Don W. Jacobus, president, Helena.

Report of national councillor, E. E. McMahon, Bozeman.

Friday Afternoon

Executive session.

Report of fire contact committee, E. L. Heidel, Bozeman.

Report of casualty contact committee, P. J. Driscoll, Butte.

Further discussion by national councillor, E. E. McMahon, Bozeman.

Open discussion for all members, E. E. Tiffany, Billings, chairman.

Executive session, Montana Special Agents Association.

Executive session, Casualty Executives Association.

4 p. m.—Address, Jean D. Kelly, deputy insurance commissioner.

Saturday, Sept. 17

Address, L. S. Gregory, assistant vice-president Fireman's fund.

Report of regional vice-presidents, O. M. Christinson, Glasgow; E. F. Dickinson, Kalispell; J. A. Liggett, Roundup.

Address, E. W. Trenbath, special agent, Norwich Union Fire, San Francisco.

Reports: Resolution committee, auditing committee, special committees. Arnold Huppert, editor of "Tags."

Address, H. F. Badger, secretary-manager Pacific Board, San Francisco.

Election of officers.

Saturday Afternoon

Address, R. L. Countryman, vice-president Pacific Board.

Conference, newly elected officers and retiring executive committee.

7 p. m.—Dinner and dance for members and visitors.

San Francisco Brokers to Start Course on Sept. 21

SAN FRANCISCO — Commencing Sept. 21, the San Francisco Insurance Brokers Exchange is offering an educational course to its 700 members. The first meeting of the course, which is to be held from 5 to 6 p. m., Wednesday afternoons, will be devoted to "Medical and hospital expense reimbursement for the individual as well as groups" with Milton Monach of the Associated Indemnity as speaker. Ernest W. Swingley of the Ocean Accident will talk at the second meeting on "Fidelity and Surety Bonds." Other lectures are Oct. 5, R. H. Butler, Hartford Accident, "Burglary Insurance"; Oct. 11, H. W. Christina, Travelers, "What Accident Insurance Means to the Broker"; Oct. 19, A. L. Davis, Hartford Accident, "The Use of Audits as a Means of Production"; Oct. 26, R. A. Whitaker, California Inspection Rating Bureau, "Compensation." Raymond L. Ellis, Fireman's Fund, will talk at the final

Washington Executive Committee Chairman



H. T. ANTHONY, Spokane

H. T. Anthony of Spokane, the new chairman of the executive committee of the Washington Insurance Agents League, went to that city from Rhode Island. He is vice-president of the Elmendorf-Anthony agency, which was established in 1892. It is one of the largest local offices in the state. It is general agent for the Aetna Casualty & Surety. Mr. Anthony has been a member of the executive committee for a number of years and has served on other important committees. He is president of the Spokane chamber of commerce, serving his second term.

Harry Paxton of Walla Walla, the new president of the league, is head of Paxton-Kent Company of Walla Walla, being associated with O. J. Kent. They are the second generation of Paxtons and Kents in the firm. Their fathers founded the business. Walla Walla is situated in the heart of one of the wealthiest wheat sections of the country. Mr. Paxton claims an acquaintanceship with every farmer within a 50-mile radius of the city.

meeting Nov. 2 on "Mutual vs Stock Companies."

Fries Has Own Agency

Sam Fries, formerly of Wakefield, Fries & Woodward, has established his own local agency in Portland, Ore. He was formerly secretary-treasurer of Oregon State Agents Association.

Douglas Named President

EVERETT, WASH.—Lee E. Douglas has been named president of Snohomish County Insurance Agents Association, succeeding George H. Wilson. H. H. Petershagen of Lucas & Petershagen is named vice-president and Carl M. Baldwin reelected secretary-treasurer.

Gets the National F. & M.

T. V. Humphreys of Los Angeles and San Francisco has been appointed general agent of the National Fire & Marine for Pacific Coast territory.

Inman in Colorado

DENVER—Guy Inman, San Francisco manager of the Fidelity & Guaranty Fire, will spend two months in Colorado with George B. Side, state agent.

Get Data on Sprinkler Charge

DENVER—The sprinkler-users committee appointed by the Denver chamber of commerce to secure repeal of the "readiness to serve" charge made by the Denver water board for automatic fire-prevention sprinkler systems has prepared an extended report showing that around 50 Denver buildings would con-

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MICHIGAN FIRE & MARINE INSURANCE COMPANY — DETROIT, MICH.
NEW ENGLAND FIRE INSURANCE COMPANY — PITTSFIELD, MASS.

sider installation of these systems were it not for the prohibitively high charge, amounting to \$60 or more per year for any capable system. W. J. Kulp, manager Mountain States Inspection Bureau, and David Main of Standart & Main, are members of the committee.

Washington Society Meets

SEATTLE—Payne Karr, president Seattle Junior Chamber of Commerce, will be the guest speaker at the annual banquet of the Insurance Society of Washington Sept. 21. The meeting will hear reports on the organization's activities for the past year, according to President R. C. Jenner. Plans will be discussed for the fall program, in which Insurance Institute courses are offered in all branches of insurance. Linus Pearson, Northern Life, is slated for president.

Hail Fund Gets Many Claims

DENVER—The state hail fund will pay out about \$100,000 in claims to Colorado farmers whose crops were destroyed or damaged by hail this season.

Claims will be paid in 12 to 15 counties, with warrants scheduled to be issued beginning Oct. 3. The largest payments will be made in Yuma, Phillips, Sedgwick, Logan and Weld counties. There were more than 16 disastrous hailstorms recorded over these counties, several of which set a new record for monetary damage in storms of short duration.

First Denver Meeting Sept. 15

DENVER—The Denver Association of Insurance Agents is holding its first fall meeting Sept. 15. Legislation will be the theme, with especial reference to tightening pressure on unlawfully licensed agents.

Denver Women to Organize

Women in insurance offices in Denver have called a meeting for organization Sept. 19. A preliminary meeting was held Sept. 6, to start the ball rolling for organizing of an insurance girls' club.

Pacific Coast Notes

Walter R. Patterson has established an agency in Seattle. He was formerly

Montana Speaker



R. L. COUNTRYMAN

R. L. Countryman of San Francisco, Pacific Coast manager of the Norwich Union Fire and vice-president of the Pacific Board, will be one of the chief speakers at the annual meeting of the Montana Association of Insurance Agents at Anaconda Friday and Saturday of this week. Special Agent E. W. Trenbath of the Norwich Union Fire is also on the program.

claim adjuster in Seattle of the Aetna Fire.

O. J. Forney, recently with J. S. Mooney & Co., Wenatchee, has joined the Northwestern Mutual Fire of Seattle as district representative at Chehalis, Wash. J. S. Mooney & Co., Wenatchee, Wash., has purchased the Bolin Insurance Agency. D. J. Kenaston, who has been operating the latter agency, has been appointed manager of the insurance department.

MARINE

Seeks Marine Rate Control

Pink Would Supervise Tariff For Lines Other Than "Wet" Marine—Provision in Code Supplement

The third supplement to the draft of the revised New York insurance code provides for the ultimate state control of rates on several inland marine forms such as domestic shipments, personal effects floaters and equipment and personal property floaters.

Until Jan. 1, 1944, the provision is that rates merely be filed and adhered to but after that date the rates would be regulated by the department.

The classifications embraced under domestic shipments, personal effects floaters and personal property floaters cover practically all of the inland marine business except the so-called "wet" lines.

This proposal is regarded as revolutionary in the inland marine field. Except in Wisconsin where the insurance commissioner has undertaken to apply the fire insurance rating law to inland marine business, the inland lines have not been subject to rate regulation.

Hayden to Detroit

C. J. Hayden, special agent of the Marine Office of America in Indiana for the past year, has been transferred to Detroit. He is a son of C. M. Hayden, vice-president of the Glens Falls.

New British Columbia Officers

VANCOUVER, B. C.—The British Columbia Association of Marine Under-

writers has named the following officers: President, W. R. Arnold, Durham & Bates; vice-president, T. Workman, Macaulay, Nichols & Maitland; J. S.

Marshall, Union of Canton; E. E. Sykes, Dale & Co.; C. O. West, North America; Secretary-treasurer, George L. Schetky.

EASTERN STATES ACTIVITIES

Announce Vermont Program

Annual Meeting of the Local Agents State Association Will Be Held This Week at Lake Morey

The annual meeting of the Vermont Association of Insurance Agents takes place Thursday of this week at Lake Morey, Fairlee, Vt. Harold F. Shea of Montpelier is president. A. C. Mason of Rutland is secretary. The program is as follows:

Meeting called to order. President Harold F. Shea, Montpelier, presiding.

Reports: President Harold Shea; W. C. Lawrence, Springfield, Chairman executive committee; A. C. Mason, Rutland, secretary-treasurer.

Address, T. Alfred Fleming, New York, supervisor conservation department National Board, "The Relation of Insurance to Credit."

Address, Harvey R. Preston, Springfield, Mass., president Massachusetts Association of Insurance Agents, "Meeting Competition of Direct Writers."

Additional committee reports.

Address, Frank W. Brodie, Waterbury, Conn., chairman New England Advisory Board, "Inside Workings of New England Advisory Board."

Greetings from the New Hampshire association, George E. Clark, Lisbon, N. H., president.

Address, C. Waldo Lovejoy, Maine insurance commissioner, "Workings of the Agency Qualification Law."

6:30 p. m.—Banquet, Col. "Jim" Healey, Albany, N. Y., radio commentator, will speak.

Newton Smith of Brandon is vice-president. W. C. Lawrence of Springfield is chairman executive committee, his associates being H. A. Allen, Burlington; S. C. Dorsey, Rutland; Stanley Griswold, Bellows Falls; A. W. Hawkinson, St. Johnsbury, and George Kent of Barre. I. Munn Boardman of Burlington is chairman of the legislative committee.

Agents to Report Direct

As of Oct 1, the Yorkshire and its affiliates, the London & Provincial Marine & General, and Seaboard Fire & Marine, will no longer be represented by the office of Ralph G. Hinkley as general agent for Massachusetts. From that date the agents of these companies and the further development of the New England territory will be supervised by C. W. Hitchcock, who has been state agent of the Yorkshire group in Connecticut with headquarters at 75 Pearl street, Hartford.

New Hampshire Meeting

The annual meeting of the New Hampshire Association of Insurance Agents will be held at the Concord Hotel, Manchester, Oct. 18. The program for the meeting will not be completed until President George E. Clark of Lisbon returns from the St. Paul convention of the National Association of Insurance Agents. Stewart Nelson of Concord is secretary. The three vice-presidents are R. S. Perkins, Manchester; J. W. McCrillis, Newport, and R. C. Keller, Manchester. R. N. Davis of North Conway is chairman of the executive committee.

Head C. of C. Committees

C. H. Wilson, president of the Wilson, Forster & McCall agency, has been named chairman of the safety committee of the Buffalo chamber of commerce.

John L. Tiernon, Jr., president of Tiernon & Co., is chairman of the fire prevention committee.

Three Charter Members Left

Interesting Trio Who Were Organizers of the New Hampshire Association of Insurance Agents Still Active

There are three living charter members of the New Hampshire Association of Insurance Agents, which was organized in Manchester, Aug. 2, 1899, about 30 being present. One is H. P. Henderson of Dover, who entered the business Jan. 1, 1899, he having bought the agency of Crawford, Tolles & Co., Jan. 1 of that year. He served as president of the Merchants National Bank of Dover for 15 years.

The next man is G. N. Andrews of Nashua, who entered the business with his father in 1890, the agency being Andrews, Son & Co. George N. took over the agency following the death of his father in 1909. He is president of the Nashua Fire & Casualty Association.

The third man is F. M. Cilley, who bought the George Wiggan agency in March, 1893, going from Chicago where he had been connected with the C. B. & Q. Railroad. He is a graduate of Phillips Exeter Academy, his father having taught Greek there for 40 years.

The nominating committee of the New Hampshire association consists of R. N. Davis, North Conway, chairman; G. N. Andrews, Nashua; F. B. Edgerly, Manchester; J. Frank DeMerritt, Exeter, and J. W. McCrillis, Newport. The annual convention is to be held the third week of October. The New Hampshire Insurance Women's League will hold its meeting the same day as the agents' association.

Dawson in Charleston Office

O. R. Dawson, well known adjuster who has opened his own office at Charleston, W. Va., has located in the National Bank of Commerce building there. He is one of the well known adjusters in his section.

Golf Outing in Pittsburgh

PITTSBURGH—The annual golf outing of McCandless, Collingwood & Alexander will be held next Monday at the Wildwood Country Club. There will be a memorial by the company men in honor of the late J. S. Alexander, president, who recently died.

Command Safety Record

PITTSBURGH—A resolution congratulating Governor Earle's highway safety council on the reduction of accidents and fatalities on the highways during the first eight months of this year was adopted at the first fall meeting of the Pittsburgh Association of Insurance Agents. Another resolution commended Admiral Foote, head of the Pennsylvania motor police, on the enforcement of the automobile laws.

Pittsburgh Club Tournament

PITTSBURGH—The Insurance Club of Pittsburgh will hold its third golf tournament of the season at the St. Clair Country Club next Monday. It was previously announced for the Westmoreland Country Club.

N. J. Women Organize

At a dinner meeting in Newark, formal organization was completed of the Insurance Women of New Jersey. A constitution and by-laws were adopted and those who had been temporarily serving as officers were elected for a full term. Mrs. Christine B. Nolan of

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North Bergen is president. On Friday afternoon, the insurance women will have a meeting in Asbury Park as a feature of the convention of the New Jersey Association of Underwriters. Thomas Deering of the inland marine department of Fire Association, will give a talk.

Insurance Coercion Is Condemned by Wyoming Agents

(CONTINUED FROM PAGE 6)

assured. A large part of the responsibility for keeping the American agency system alive and intact devolves upon the agent himself, said Mr. Potter.

In viewing the possibilities of the passage of the agents qualification law at the next legislative session in January, Mr. Potter said that consideration should be given to the mistakes in the unsuccessful effort two years ago. He said it is best to get a modified bill on the statute in order to gain a toehold. It can later be strengthened through amendments.

Chet V. Davis a Speaker

Chet V. Davis of Sheridan, Wyo., national councillor and former member of the national executive committee, in his talk on "Conference and Cooperation" said that agents owe their allegiance to those companies whose loyalty to the principles of the National Association of Insurance Agents for the preservation of the American agency system is unquestioned. He said it is inconsistent and undesirable for any member to represent any company where it is intentionally and continuously in violation of these principles. Companies and state officials, he said, have increased competition owing to promiscuous and unrestricted appointment of unfit agents and brokers. This, in his mind, is a tremendous handicap to the legitimate agent. He said that the agents associations should certainly demand that companies cease to appoint agents known to have lost their company representation by delinquency and to stop paying excess commissions of 40 and 50 percent for automobile business. The difficulty in production, he said, is due to the inordinate greed for premium and this leads to the unfit being appointed as agents. Mr. Davis said that anyone who has bought a defunct agency and analyzes the situation can readily understand why it became defunct. However, the purchase does not put the unqualified out of business. Some field man will grab the defunct agent and appoint him starting him out on a new line.

Many Vexing Problems

He said the machinery, legal and otherwise, is inadequate to deal with many current problems. The loaning policy of the federal government constitutes a problem. Mr. Davis advocated that agents work out a constructive solution rather than rest on negative action. In conclusion he said:

"In our reactions to these threats of immediate loss we see danger to our standing. It is sometimes dangerous in the long run to erect legislative views around a privileged position or attempt to tie up carriers and clients by agreements by our demonstrations of power rather than of ability. However, if the state statute is our only relief and we do not take advantage of same, I venture the prediction that in the not far distant future most dwelling house business will be lost to the legitimate agent as we know him today. Under our present setup and our state insurance regulation, is it proper for us to challenge our companies and field men for making appointments to write this business? I believe not. However, I do strongly believe we have the right to demand of the companies and field men and the entire insurance fraternity the wholehearted cooperation from their entire organization that we may together in some way bring about a solution, if

necessary, through a statutory provision that will be beneficial for us as agents, the companies and the assured. We can't dodge the issue; it is here now; it must be solved, and don't forget that when a group of local agents are losing business, a group of companies are doing likewise. This business will not be written by a lot of companies."

Henry F. Evans' Address

Henry F. Evans of the Denver general agency firm of Cashman & Evans in his talk before the Wyoming agents spoke about the interrelation of insurance interests, saying that one department of the business depends on every other. He characterized capital stock insurance as the greatest cooperative institution in the world but he said it is conducted at the lowest percentage of cost. He alluded to the various activities of capital stock companies, especially their organization and accomplishments. These various bureaus and organizations, he said, render service free to the insuring public. Through rate making, hazards have been reduced by the application of schedules. The newest service that is being rendered is offered by the Business Development Office. In every community, he said, the insurance man is an outstanding character and is regarded as a sound thinker whose advice is sought on many subjects beyond the province of insurance. He should justify by his acts this confidence bestowed on him by his fellow townsmen, added Mr. Evans.

Mr. Evans urged agents to select orthodox and excellent companies to represent. If a man has saved money and intends to buy stock of an insurance company he will make some study of the various ones and will purchase shares of a prosperous and well managed institution. He characterized mutuals, reciprocals, excess commission payers and cut-raters as arch-enemies of the American agency system. He said that Cashman & Evans is probably the oldest general agency in the mountain territory whose personnel has been continuously the same for the last 30 years. Almost every general agent he said started in the business as a local agent. Many company executives came from the same ranks. Because these supervising men have worked up from the ranks they have a human attitude toward the business.

Walter J. Kulp, manager Mountain States Inspection Bureau, spoke. Rand M. Hill, Denver, manager Fire Companies Adjustment Bureau, urged agents to seek to minimize all possible irregularities in writing policies to avoid lagard adjustments. Commissioner Ham spoke. Howard A. Reynolds, Denver, president of the Mountain Field Club, brought greetings from field men and discussed various phases of the insurance business.

Mayor Cowan of Casper greeted the convention. I. W. Dinsmore of Rawlins, Wyo., responded.

There was special entertainment for visiting ladies. The convention program was unique, being printed in the form of an insurance policy.

Italian Presidents Removed

Count Giuseppe Volpi, former financial minister of Italy, has been elected president of General of Italy, which operates in the United States for fire and marine business. He succeeds Edgardo Morpurgo.

The change is understood to have been forced by the Italian Government in a move to remove Jews from the top executive positions in Italian insurance companies. Morpurgo is a Jew.

At the same time Fulvio Suvich, Italian ambassador to the United States, becomes president of Adriatica of Trieste, succeeding Arnaldo Frigessi, who is a Jew.

Walter Myers, Jr., of Pattillo & Myers, general agents, Dallas, has returned from a visit to their companies in New York.

National Board engineers, headed by C. D. Lehman of the Chicago office, are inspecting Denver.

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MARINE AND FIRE INSURANCE COMPANY, Limited

Established 1879

United States Fire Branch: 80 John Street, New York

J. A. KELSEY, General Agent GEORGE Z. DAY, Ass't Gen. Agent

U. S. STATEMENT DECEMBER 31, 1937

Premium Reserve	\$ 1,903,636.30
Other Liabilities	1,044,037.34
Surplus to Policyholders	10,394,211.93
Total Assets	\$13,341,885.57

Bonds and Stocks valued on New York Insurance Department Basis. Securities carried at \$609,232.73 in the above statement are deposited in various States as required by law.

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STEWART & DAVIES
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Insurance Attorneys
Birmingham, Alabama

RICE & BIBB
401-5 Jackson Building
Birmingham, Ala.

All Insurance and Corporate Matters.

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ALLAN K. PERRY
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Companies Adjustment Bureau, Lyle Adjustment
Company, Standard Surety & Casualty, Aetna
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Former Special Prosecutor, State Banking
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San Luis Obispo, California
Tel. 614

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ATTORNEY AT LAW

Lincoln Office Building
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Suite 200-204
Santa Monica, California
Phone 21840

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FRANK C. WEST
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Representing many major insurance companies all over Wyoming. Equipped for adjustments and investigations.

Advertising Men in Annual Muster on Cape Cod Shore

(CONTINUED FROM PAGE 5)

Gibson, Maryland Casualty, presided over the fire and casualty section and H. H. Putnam, John Hancock Mutual Life, over the life group meeting. Speakers at the fire and casualty session were C. A. Palmer, North America; D. C. Gibson, Maryland Casualty; R. W. Bugli, London Assurance, and A. D. Grose, Employers Liability. Commissioner Harrington Spoke

A greater use of newspapers for educational efforts was urged by C. F. J. Harrington, insurance commissioner of Massachusetts, at the Monday noon luncheon. He said articles in newspapers explaining the service of insurance had proved most effective in his state. Among those present who were at the organization meeting 16 years ago are A. H. Reddall, Equitable Life of New York; Harold Taylor, American of Newark, and H. H. Putnam, John Hancock Mutual Life. Mr. Putnam has been present at 29 of the 30 meetings since organization.

E. C. Stone, United States manager of Employers Liability, whose summer home is near Osterville and who is a director of the Oyster Harbors Club, dropped into several sessions. The National Board of Fire Underwriters is represented by H. R. Schaufler and A. W. Nelson of its advertising department.

S. G. Wingfield's Address

A bright and stimulating conclusion was furnished by Sam G. Wingfield, public relations counsel, New York. He said any business man could obtain publicity by taking his pants off on the streets of New York and then defined the art of publicity as keeping the client in the papers but with his pants on. In divorce cases, publicity often goes, he said, to the blond who could kiss a tree and start a forest fire. He gave examples of good and bad publicity efforts.

The fire and casualty group completed its program as scheduled. Virginia Vetter, secretary to Jarvis Woderton Mason, National Fire of Hartford, presented his paper. Mr. Mason was taken to the hospital this week suffering from pneumonia. Latest reports on his condition are favorable.

Ray C. Dreher's Career

Ray C. Dreher, the new president of the Insurance Advertising Conference, has been at the home office of the Boston and Old Colony since 1924. He went there after being a local agent at Newark, N. J. He has been successful in developing many specific outlines for producing fire and inland marine insurance. His advertising and direct mail pieces both in sales copy and illustration are distinctive and effective. His exhibit won the 1931 I. A. C. trophy as the best campaign submitted by any fire, life or casualty company. He designed the program cover and as chairman of the program committee for the current convention won the praise of the members.

Dunne to Oppose Hobbs

Darcey E. Dunne of the Dunne-Israel Investment Company, Wichita, has been nominated by the Kansas state central committee as Democratic candidate for insurance commissioner to oppose Commissioner Hobbs, Republican candidate, who is seeking his seventh term. Mr. Dunne fills the vacancy caused by the resignation of J. F. Farley of Wichita, who withdrew following his nomination at the primary in July. Some years ago Mr. Dunne was connected with the old Kansas Casualty.

John Allen and O. A. Garner, both prominent agents at **Okmulgee, Okla.**, have formed a partnership and will be located in new offices in the McCulloch building.

• RECENT COURT DECISIONS •

CASUALTY & SURETY

Paralysis Victim, Performing Regular Duties, Not Disabled

A victim of infantile paralysis who, in spite of being paralyzed from the waist down, is performing all the substantial duties in connection with his regular occupation which he was performing at the time the policy was issued, is not "wholly and continuously disabled by such disease from engaging in any occupation or employment for wage or profit," even when the language is construed liberally. The Rhode Island supreme court so holds in the case of *Davis vs. Equitable Society*, brought to enforce a continuance of payments under an accident and health policy.

Davis was owner and manager of a large garage and in his application described his occupation as "chief executive with office and travel duties only." He was paid \$50 weekly until Sept. 27, 1935, when payments were stopped. The evidence showed that since that date he has been spending several hours regularly each morning at his garage, doing work there as bookkeeper, as well as general manager, has been playing bridge in the afternoons and evenings for five or more hours at country club and at his home or the home of friends.

The paralysis had no effect on his mentality, his arms, hands or generally on his body above the waist. He is now able to drive his own automobile by the aid of special appliances and has made considerable progress in ability to walk with the aid of crutches. The case, which was decided for the company in the lower court, is remitted for entry of judgment for the company on that decision.

Agency of State Can Sue State Bonding Fund

The North Dakota supreme court recently held that one agency of the state, North Dakota Mill & Elevator Association, may bring an action against another agency, the State Bonding Fund. The case was *State vs. Bonzer et al.* There is not such an identity of the state of North Dakota doing business as the North Dakota Mill & Elevator Association with the State Bonding Fund of the state as to prevent the association from bringing an action against the bonding fund under the rule that the same party cannot in one and the same action hold the positions both of plaintiff and of defendant, the supreme court held.

The action was brought to recover for loss occasioned by default in the duties of the manager of the Mill & Elevator Association. The claim was presented to the bonding fund and was rejected.

House Mover's Bond

In *Hartford Accident vs. Woodruff, et al.*, the Oklahoma supreme court held that a statutory bond required of house movers running in favor of the city and guaranteeing that the house mover shall pay all damages to any person or to any property, public or private, caused by the work, does not include liability for damage to the building which is being moved. The plaintiff, the owner of the property, had secured a judgment for damage to his building based upon alleged negligence in moving it against Hendricks, the mover, and *Hartford Accident*. On appeal, the judgment was reversed as to the surety company, on the ground that the bond does not guarantee the payment of a claim of this type.

Repeal Didn't Release Surety's Obligations

Repeal of the 18th amendment and the national prohibition act did not release the surety on a bond guaranteeing the appearance in court of a person who had been indicted for violation of the prohibition law, where the principal had failed to appear and the bond declared forfeited. This was held by the circuit court of appeals in the case of *United States vs. Capua, et al.*

Capua was one of four defendants indicted for violation of the prohibition act. He disappeared and the surety was advised that he had gone to Italy. The other defendants were tried and found not guilty. Following the repeal of the 18th amendment, the indictment against Capua was dismissed. His bond had previously been declared forfeited.

In a motion by the government to recover the penalty of the bond, the surety pleaded that the bond and all liability had been nullified by repeal of the 18th amendment. The district court dismissed the action, but on appeal the circuit court of appeals reversed the judgment and held the surety liable. It stated that the default was willful on the part of the principal, that the court had no discretion to relieve the surety under these conditions, and the fact that the indictment was later dismissed had nothing to do with the previous forfeiture, which remained as an enforceable liability against the surety.

"Burning of Dwelling House" Clause Is Construed

The Nebraska supreme court some time ago was called upon to consider the clause in an accident policy providing certain benefits in case the assured shall be injured or meet death by the burning of any dwelling house in which the insured shall be at the beginning of such fire and is burned by such fire or is suffocated by the smoke therefrom. The case was *White vs. Washington National*.

The insured was heating a can of paint remover in the kitchen of a house when an explosion occurred. The kitchen was in flames immediately. Considerable damage was done to the room and contents. The insured escaped from the room but was so badly burned that he died the next morning.

The wording of the clause, according to the supreme court, unmistakably requires the burning of a dwelling house, either in whole or in part. The evidence was that the building as well as the contents were badly damaged. The only question remaining is whether there was any evidence of a substantial nature tending to prove that the insured suffered his injuries by reason of the burning of a dwelling house sufficient to justify the submission of the case to the jury. The trial court, according to the supreme court, properly submitted the case to the jury.

Held Limit Was Ambiguous

Indemnity beyond the apparent policy limit was given by the New York appellate division in the case of *Gaouette vs. Aetna Life* on an automobile liability policy. The indemnity coverage was "limit one person \$5,000; limit one accident \$10,000." The caption of the coverage clause read "personal injury." A woman was injured and recovered judgment against the insured for \$5,000. Her husband also obtained judgment for \$1,146 for loss of services. The com-

pany paid the \$5,000, but declined to pay the \$1,146, claiming that it had paid its limit. In holding against the company the court drew a distinction between personal injury and bodily injuries, holding that the former was broader than the latter. It held that the ambiguity in the policy, which used both terms, required that full force be given to the coverage clause on the basis of limitation of liability of "personal injury limit one accident \$10,000," rather than "bodily injury."

Fidelity Bond Doesn't Cover Credit Losses

The Kentucky court of appeals affirmed judgment for Sun Indemnity in an action brought under a fidelity bond for losses sustained by the insured on account of an employee, against the insured's instructions, issuing credit to a customer. The case was *Jellico Grocery Company vs. Sun Indemnity*.

Easley, manager of a branch store of Jellico Grocery at Oneida, Tenn., violated the directions of his employer by giving credit to Thompson and Thompson Coal Company and he failed to report to his employer that he had given this credit.

The Kentucky court of appeals said it is convinced that Easley in extending credit, was not actuated by any fraudulent or dishonest intent. The books and ledger of the Oneida store were open at all times to be examined by the general manager of Jellico Grocery. Easley made no attempt to hide the accounts or in any way to falsify them upon his books. He did not profit personally in any manner by granting credit to the Thompsons. When he discovered that the Thompson account would produce a loss, he confessed what he had done. The extension of the credit, according to the court of appeals, was a mistake of judgment. The Sun Indemnity bond does not cover the loss.

Furthermore, the court found that proper notice had not been given to Sun Indemnity.

Intentional Shooting Covered

Continental Casualty has been held liable by the Oklahoma supreme court under a personal accident policy, where the assured was intentionally shot and killed by a woman named in the policy as the "wife." The case is *Continental Casualty vs. Goodwin, Adm'r.* The wife, Carrie Lee Goodwin, is serving a penitentiary sentence for the crime.

The court held that in the absence of a provision to the contrary, a policy that insures against death through external, violent and purely accidental means includes injury intentionally inflicted upon the assured, without his own foreknowledge or contrivance.

The fact that there was a false statement that the relationship of the beneficiary was that of "wife" does not void the policy, according to the court. The statement is not material to the risk, but is only a representation, regarded as intended for identification.

Doctor's Silence Not Material

LANSING, MICH.—A physician's failure to reveal to his patient that an insurance company is paying his fee and the hospital bill does not justify the setting aside of a damage settlement to an accident victim, according to the Michigan supreme court in *Charles Welch vs. Citizens Mutual Auto*.

Welch sought to reopen his case after an arm injury, suffered when he was struck by a car insured by Citizens Mutual, proved more aggravated than had been at first diagnosed. He claimed fraud on the part of the Citizens Mutual and Adjuster Irving Wolbrick.

Wolbrick, it was claimed, representing himself as a friend of the car owners,

offered to settle for \$200, plus hospital and medical bills. After consulting his doctor, Welch agreed and signed the settlement.

The court found that Welch had not based his decision on representations of the carrier or its adjuster. The suit was not directed against the doctor, and it was further emphasized that Welch had business experience and made no move to sign the settlement until reassured by the doctor that the amount was probably adequate.

Government Only May Sue Under Postmaster's Bond

The government must institute proceedings under a postmaster's bond and a private person may not do so without the consent of the government, according to the U. S. district court for the district of Minnesota in *United States vs. Midland Loan Finance Company* vs. *National Surety et al.* The motion of National Surety to dismiss the action was granted.

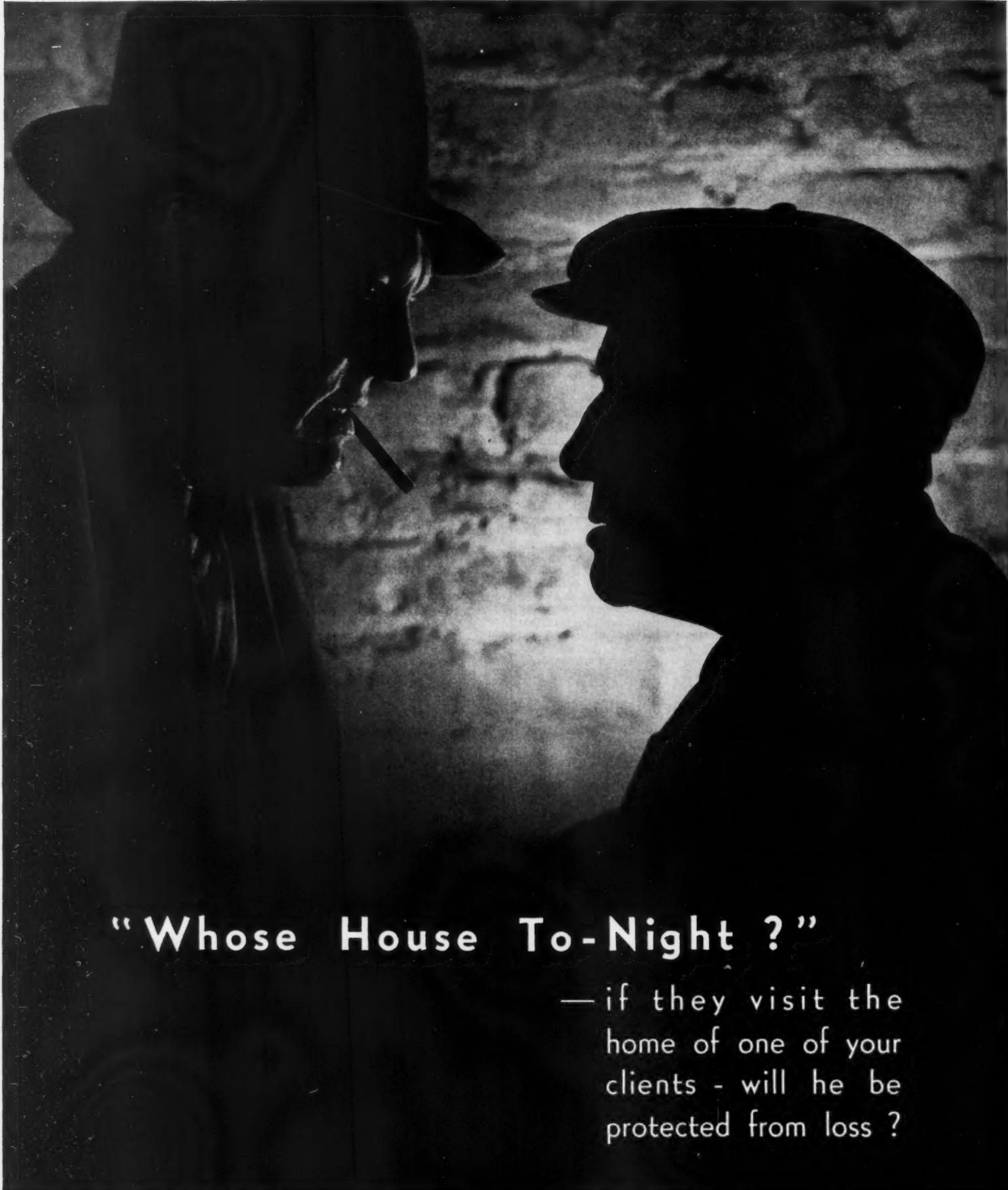
One Hunting, who was in the automobile business at Montgomery, Minn., where Malone was acting postmaster, made out false and forged conditional sales contracts which were tendered for sale to Midland Loan Finance Company. The latter institution sent credit inquiries through the mail and these were received at Montgomery postoffice. At the request of Hunting, Malone, for whom National Surety was the surety, turned over to Hunting the mail which arrived at Montgomery in the envelopes of the finance company. Hunting answered some of the credit inquiries himself and thus was able to dispose of numerous spurious contracts to the finance company.

The court said it is indisputable that Congress did not intend that private parties should maintain a suit on a postmaster's bond. It is true that the government may proceed to recover on a postmaster's bond for the total loss incurred and has a moral obligation to disburse the proceeds to the parties who may have sustained the loss, but it is the government that must institute the proceedings.

Cancellation Procedure Has to Be Followed Strictly

It is well known that care must be exercised in canceling a policy in order to make the cancellation effective. A very close construction was given to the cancellation provisions of a policy by the United States circuit court of appeals, 8th circuit, in *Automobile Underwriters vs. Bloemer*. A policy on a truck by its terms automatically lapsed on failure of the insured to pay the premiums on the due dates. This did not result, however, "until 10 days after notice of amount of premium and the due date thereof has been mailed to the assured." In addition to this method of rendering the policy ineffectual, the company had the right to cancel it at any time on five days' notice.

The premium was payable quarterly. The \$10 due March 5 was not paid, and notice was sent out by the attorney-in-fact. On March 25, however, the insured paid \$5 and the attorney-in-fact reinstated the policy. The next premium due date was June 5. Notice was given in April, advising the insured that \$5 would be due April 20, and that the insurance would be void after noon of that date. However, this was not a due date of the policy. The court ruled that in order to cancel at any other time than the due date, the regular cancellation procedure would have to be followed, and that the cancellation on April 20 was not effective. An accident occurred April 26, and the company was held liable.



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